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CITY & Town

A monthly publication of the Massachusetts Department of Revenue's
Division of Local Services

Ira A. Jackson
Commissioner

Edward J. Collins, Jr.
Deputy Commissioner

GOVERNMENT DOCUMENTS
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An Introduction to CITY & Town

The Department of Revenue's Division of Local Services is pleased to present its first monthly issue of **CITY & Town**. Designed with local officials in mind, this newsletter is intended to keep you abreast of current developments or issues which could affect the services you provide to your community. **CITY & Town** will consist of a calendar of upcoming events, legislative updates, reports on technical assistance projects carried out with Massachusetts municipalities, and schedules for courses,

seminars and conferences offered by the Division of Local Services. Should you have any contributions or suggestions which would improve the content of this newsletter, please contact: Editor, **CITY & Town**, Division of Local Services, P.O. Box 7015, Boston, Massachusetts 02204; (617) 727-2458. We hope this newsletter will be both informative and valuable in your service to your community.

Report on Proposition 2 1/2 Overrides

The Division of Local Services has recently completed a report on Proposition 2 1/2 Overrides. This is the most comprehensive report to date on the Massachusetts municipalities that have sought voter approval to exceed their property tax levy limits under Proposition 2 1/2. In preparing this report, the Division has drawn from its extensive data base on local taxation as well as a recent in-depth survey of local officials.

At least one Proposition 2 1/2 Override has been attempted by 176 communities. Of these communities, 119 (68%) have succeeded in passing override votes.

Statewide, the total FY87 levy capacity of all 351 cities and towns is higher as a result of the cumulative impact of

all overrides than it would be otherwise. Without overrides, the total statewide levy capacity would be \$3,547,595,412; with overrides, total levy capacity is \$3,593,917,944. In percentage terms, overrides have produced only a 1.3% increase in levy capacity statewide.

However, the impact on the total levy capacity of just those 119 communities that have passed overrides is proportionately much larger. Among these communities, overrides have resulted in an increase of 6.7% in total levy capacity, from \$682,305,920 to \$728,628,452.

For more information on Proposition 2 1/2 Overrides, contact Julie Slavet, Division of Local Services Analysis Unit, at 727-2300.

Study on Hotel-Motel Tax to be Released

A report on The Local Option Hotel-Motel tax, prepared by the Division of Local Services' Analysis Unit, will soon be released. This report represents the first look at the impact of the hotel-motel excise on the finances of those communities that have exercised their local option by voting to adopt the excise. It also examines why communities decided to adopt the excise and

what issues were raised as part of local excise consideration. In developing this report, the Division has drawn upon its data on local room occupancy revenues, local spending, and own-source revenue, as well as upon a series of interviews with local officials, industry representatives, and individuals and organizations knowledgeable about public finance.

On the Hill

FY88 State Budget Provisions Affecting Cities and Towns

The Massachusetts state budget for FY88, signed by the Governor on July 8, contains several sections of interest and importance to local governments as they relate to the Division of Local Services. A bulletin highlighting these sections was sent out to local officials last month. More detailed explanations of each of these provisions will be mailed to the appropriate local officials in your community within the next few weeks.

A short summary of these sections is provided below:

I. Authority for cities and towns to issue and require payment of a notice of estimated tax not limited to revaluation years. This new procedure will save cities and towns millions of dollars by eliminating the need for costly short-term borrowing.

II. Cherry Sheet distributions (Local Aid) will now be made on a quarterly basis. The distribution dates are

September 1, December 1, March 1 and June 1. The budget also requires that Cherry Sheet assessments be made on the same quarterly schedule. Again, this will benefit cities and towns by providing substantial cash flow earlier in the year.

III. Extension until September 30, 1987 of the opportunity for cities and towns to recapture the benefits under Proposition 2 1/2 of reporting "new Growth" from prior years to the DOR, and a requirement that all cities and towns report all "new growth" in order to set the FY88 tax rate. "New growth" translates to substantial added capacity for cities and towns.

IV. A requirement that DOR certify to regional school districts and member cities and towns the amount available at year's end in each district's "excess and deficiency fund."

Resource for Managers

A 13-chapter report on "Managing Massachusetts Government," prepared by the state Executive Office for Administration and Finance, is available as a resource for municipal managers. This report focuses on management initiatives by state agencies.

The 13 topics covered in this series are: Energy Conservation, Administration of Benefits, Finance Techniques, Telecommunications, Procurement Practices, Revenue Enforcement and Compliance, Revenue Increases, Payment Processes, Customer Services, Municipal Services, Human Resources Management, Equality of Opportunity, and Employee Benefits.

Each of the 10-page booklets describes ways the Commonwealth has saved money and lists contacts on the state level who can give more details. The section on municipal services discusses increased local aid, incentive aid, inmate work crews, and three Local Services programs — the Municipal Data Bank, Uniform Municipal Accounting System conversions and Financial Management Assistance.

To order these pamphlets, contact: B.J. Rudman, Room 373, State House, Boston, Massachusetts 02133; (617) 739-0379

Reminders for August & September from the Municipal Fiscal Calendar

August 10 - CITIES AND TOWNS: Last day to appeal the Commissioner's equalized value. and district tax rates.

August 15 - DOR certifies quarterly local aid payments and certain annual charges for State Treasurer to distribute on September 1. **August (or later, if revaluation year) - ASSESSORS:** Complete Recapitulation Sheet (to set tax rate).

September 15 - ACCOUNTING OFFICER: Complete balance sheet for prior fiscal year.

The Latest in Financial Management Assistance

The Municipal Data Management and Technical Assistance Bureau (MDM/TAB) offers consulting services to cities and towns on a wide range of municipal finance topics. All management analysis and assistance are provided at no charge to the community.

Financial Forecast for North Attleboro

At the request of the Board of Selectmen, a technical assistance team has developed a revenue and expenditure forecast for North Attleborough. The expenditure forecasting data have also been provided to the town on a diskette for use on the town's micro-computer. This is the first time a municipality has received its forecast from Local Services in this manner.

In developing a forecasting methodology in disk form, the Division has provided North Attleborough officials with an important financial management tool. The value of this innovative approach is that the software allows the town to easily update and refine the forecast, adjusting projections as new information becomes available during the budget cycle.

Revenue/Expenditure Forecasts for Franklin and Harwich

A technical assistance team has prepared a "Revenue and Expenditure Forecast, FY88-FY91" for the town of Franklin. This forecast is intended to provide local officials with the information they need to make long-range financial planning decisions.

The Division's management consultants reviewed the town's current and future financial trends and projected the total cost of maintaining the current levels of service over the coming four fiscal years. Further, the analysis indicates the difference between total projected revenues and the total projected expenditures for FY88-FY91.

The Division's technical assistance team also prepared a report for Harwich which projects the town's revenue capacity and expenditures in FY89 and FY90. Expenditures are projected on the basis of what it will cost in FY89 to maintain the FY88 level of services.

Goshen: School Regionalization

A technical assistance team prepared a study of the financial implications of the expansion of Goshen's school regionalization from grades seven through 12 to grades kindergarten through 12.

Ambulance Costs in Marblehead

This technical assistance report establishes a framework for analyzing the cost of emergency ambulance service in the Police Department. The report also compares the current Police Department service to the cost of the service if provided by the Fire Department.

Barnstable: Review of Assessing Department

Members of the Division's Bureau of Local Assessment and Municipal Data Management and Technical Assistance Bureau met with various town officials, department heads and relevant office staff in order to review the operations of the Barnstable Assessing Office. Specifically, the technical assistance team's task was to determine the certification of the FY88 Tax Rate, the FY89 Recertification Plan, the FY92 Recertification Plan and other management issues of potential impact to the Barnstable Assessing Office's continued ability to operate at a professional standard.

More T.A. Projects:

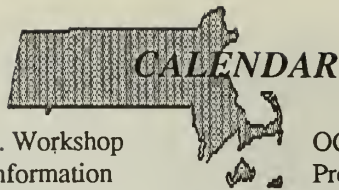
Wellfleet - Financial Management Review
Berlin - Financial Analysis
Hadley - Revenue/Expenditure Forecast, FY88-90

For more information on the Financial Management Assistance program, contact:

A. Louis Hayward, Bureau Chief
Carl Valente, Section Chief, Municipal Data Management and Technical Assistance Bureau
(617) 727-9260

Thanks to:

Joe Kelley and the Finance and Budget staff in Lawrence City Hall for the use of their desktop publishing program and for assisting us in putting together this first issue of CITY & Town while we complete installation of our own software.



SEPTEMBER 15 - Classification Workshop. Workshop on the procedures for classifying property. Information presented at the session will include the certification process, classification of property according to use, calculations for allocating the tax burden, identifying and reporting "new growth," and presenting information at the public hearing. Open to all local officials. No fee. At the Continuing Education Center, University of Massachusetts, Amherst, 7-10 p.m.

SEPTEMBER 14-18 - Course 101, Assessment Administration: Law Procedure, Valuation. This basic course for assessors covers the "full and fair cash value" standard for assessing, responsibilities of state and local officials, and abatements and the Appellate Tax Board. University of Massachusetts, 9 a.m. - 5 p.m. No fee. Also offered in September to November, 7-10 p.m., at Masconomet Regional High School in Boxford. Schedule TBA.

SEPTEMBER - OCTOBER - Course 201: The Collection of Taxes. Instruction on municipal finance law, collection of real and personal property, collection of motor vehicle excise, handling delinquent accounts, and general record-keeping responsibilities. Worcester. Schedule TBA.

OCTOBER - Course 100: Assessment Office Procedures. This course, designed for assessors' office staff, covers such topics as office administration, reassessment programs, preparation of sales reports, Proposition 2 1/2, preparation for tax billing, and required reports. Holyoke Community College. Date and time to be announced.

For more information on and registration for these courses, contact Jean McCarthy, Training Coordinator, Division of Local Services, (617) 727-2458.

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(617) 727-2458

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Local Services Offers Workshop and Speaker Service

In addition to its programs on Financial Management Assistance, Computer Assisted Mass Appraisal (CAMA), Uniform Municipal Accounting System (UMAS) and the Municipal Data Bank, the Division of Local Services now offers a Workshop and Speaker Service.

Through this Workshop and Speaker Service, the Division is offering the opportunity for officials in a community, a group of communities, or an organization to invite our staff to present a program tailored to meet their specific needs. The result might be a two-hour workshop on a specific topic for a group of officials or an evening of questions and answers about municipal finance. Workshops can range from a large group program with a speaker or a panel to a small meeting designed to address a particular problem. We can come to a regularly scheduled meeting or arrange a special day or

evening session with your community. Most importantly, the program will be especially designed to meet your interests.

Areas in which speakers and workshops can be provided include: overviews of municipal finance, Proposition 2 1/2 (levy limits, overrides and growth), the CAMA program, financial forecasting, and municipal accounting and auditing. You are invited to contact us and discuss your ideas. We will work with you to set up the program you have in mind.

For more information, contact:

Division of Local Services
P.O. Box 7015
Boston, MA 02204
(617) 727-4217

MDM/TAB Prepares FY88 Cherry Sheet Program Description

The Municipal Data Bank/Technical Assistance Bureau (MDM/TAB) has prepared a booklet entitled, the *FY88 Cherry Sheet Program Description*. This report presents an overview of each of the programs which comprise the Fiscal Year 1988 Cherry Sheet. The 38 receipt programs and 20 assessment programs are outlined in the order that they appear on the Cherry Sheet, and are described in reference to their purpose, formulation and administration.

Programs appearing on the Cherry Sheet change from year to year as new programs are added, others are dropped, and still others are consolidated into larger accounts. The FY88 Cherry Sheet is no exception, as a number of changes have occurred. Also, an important change affecting the Cherry Sheet distribution and assessment schedule

has been mandated. Beginning September 1, the State Treasurer will be making distributions and assessments on a quarterly basis. This affects the Chapter 70, Additional Assistance, Highway Fund and Lottery distributions in particular, and has been implemented to increase and stabilize cash flow at the local level.

For a copy of this booklet, please contact:

Municipal Data Management and
Technical Assistance Bureau
Division of Local Services
P.O. Box 7015
Boston, Massachusetts 02204
(617) 727-9260

On the Hill

Local Aid Legislation

Local Aid legislation (H-6129), which would provide for the quarterly distribution of Cherry Sheet funds on a permanent basis, received a favorable report from the House Ways and Means Committee and is now going through the House.

Preliminary Tax Bill

The Department of Revenue has proposed a bill which would allow all cities and towns to issue estimated tax bills on a permanent basis (see the September issue of **CITY & Town**). This bill has passed in both the House and Senate and is awaiting action from the Governor.

Tax Relief for Overburdened Homeowners and Tenants

Legislation which would provide for tax relief for overburdened homeowners and tenants (H-6160)

has received a favorable report from the Committee on Taxation and is now in the Ways and Means Committee. This legislation, if passed, would introduce a relief mechanism, known as a circuit-breaker, to avoid special hardships often experienced by low-income property owners and renters. Low-income homeowners and renters could claim a property tax reimbursement for that portion of their property tax liability which the legislature judges to be excessive in relation to their household income. This relief program would be financed from state funds. Overburdened homeowners and renters would file a claim with the Massachusetts Department of Revenue and receive a reimbursement from a property tax assistance fund. This legislation also proposes a new property tax deferral option for Massachusetts taxpayers who earn less than \$20,000 or, if married, \$23,000 per year.

Booklet on Municipal Data Bank Available

The Municipal Data Management and Technical Assistance Bureau (MDM/TAB) has prepared a booklet which provides information on the Municipal Data Bank. The Municipal Data Bank is a computerized repository of municipal financial and socioeconomic information. This 12-page booklet, *The Municipal Data Bank: What it is, What it Contains, How to Use it*, describes the type of reports the Data Bank can generate, who uses the Data Bank, and how the Data Bank can be of help to your community. There is no charge to local and other public officials for this service.

To order this booklet, please contact:

Municipal Data Bank
Municipal Data Management and
Technical Assistance Bureau
Division of Local Services
P.O. Box 7015
Boston, MA 02204
(617) 727-9260

Municipal Fiscal Calendar

NOVEMBER 15 - Treasurer; First Quarter Reconciliation of Cash (due 45 days after end of quarter).

NOVEMBER 20 - Treasurer; Deadline for first half of payment of state assessments.

NOVEMBER - DECEMBER - Mayor/Manager/

Selectmen; Review budgets submitted by department heads.

DECEMBER 15 - Taxpayers; Deadline for applying for exemptions (deadlines for items related to issuance of tax bills are adjusted if the bills are delayed).

The Latest in Financial Management Assistance

The Municipal Data Management and Technical Assistance Bureau (MDM/TAB) offers consulting services to cities and towns on a wide range of municipal finance topics. All management analysis and assistance are provided at no charge to the community.

Southampton, Westhampton, Williamsburg and Chesterfield: Fiscal Impact of Proposed School Reorganization

These reports estimate the net financial impact on the towns of Southampton, Westhampton, Williamsburg and Chesterfield that would result from a proposed expansion of the Hampshire Regional School District. At present, the Regional District provides education for the children of its five member communities in grades seven through 12. The proposed reorganization of the District consists of expanding educational services to include kindergarten through grade 12 (K-12). Consequently, the towns would no longer carry the annual expense required to support their local districts. However, the towns would incur an increased annual regional school assessment and lose some state aid for education.

Hopkinton: Overview of Municipal Finance

Representatives from the Bureau of Local Assessment and MDM/TAB presented an overview of municipal finance under Proposition 2 1/2 to approximately 50 Hopkinton town officials and citizens on October 8, 1987. The meeting had been arranged by the Board of Assessors at the request of the Selectmen and School Committee who are faced with ever-increasing demands for limited funds in this growing town. Although the town has passed several small debt exclusions, the Selectmen are considering the possibility of placing an override question on the Annual Town Election ballot this spring. Copies of a new "primer" on Proposition 2 1/2 and a specially prepared hand-out on Hopkinton's "Fiscal Facts" were available to the audience and used for reference during the presentations.

Hadley: Review of Assessing Department

This report was undertaken in response to a request from the Hadley Board of Selectmen for the Division of Local Services to perform a management review of the town Assessing office. In particular, the Board asked that the technical assistance team look at existing and future staffing requirements and plans for the FY90 reassessment of property values. The Board of Selectmen's request was motivated by a concern that the office, as

currently structured, may not be able to address the "increasing quantity and complexity of the work required by assessing officials." As a consequence, it may become difficult to maintain qualified assessors.

Ware: Financial Management Review

The Division of Local Services has completed a management review of the financial offices in the town of Ware. This review, conducted at the request of the Board of Selectmen, analyzed the financial management responsibilities of the Board of Selectmen, Finance Committee, Town Accountant, Treasurer/Collector and Board of Assessors. The general objective of this study was to review the financial management operations of the town and to provide general recommendations which the Board of Selectmen should consider in formulating their overall strategies for improving the town's financial management.

Palmer: Review of Assessing Operations

At the request of the Palmer Board of Selectmen and Board of Assessors, the Division of Local Services has conducted a review of the town's assessing operations. This report reviewed the relative workload, staffing and organization of the office, and the ability of the office to handle this workload in the future. The town of Palmer should be able to use the findings and recommendations of this report to:

- Determine the future staffing needs of the office;
- Determine future staff responsibilities and office organization; and
- Point out potential long-term problems and concerns of the office.

* * * * *

For more information on the Financial Management Assistance program, contact:

A. Louis Hayward, Bureau Chief
Carl Valente, Section Chief
Municipal Data Management and
Technical Assistance Bureau
(617) 727-9260



DECEMBER 1 - How to Improve Your Government's Accounting and Reporting. A one day seminar for public finance officers who want to improve accounting and financial reporting. Sponsored by the Division of Local Services, Massachusetts Government Finance Officers Association and Massachusetts Municipal Auditors' and Accountants' Association. No charge. Sheraton Tara Hotel, Framingham. 8:30 a.m. - 5:00 p.m.

For more information on and registration for this course, contact Jean McCarthy, Training Coordinator, Division of Local Services, 200

Portland Street, P.O. Box 7015, Boston, Massachusetts 02204.

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MGFOA Electronic Bulletin Board

Local Services Division bureau chiefs and key staff members recently had the opportunity to see a demonstration of an electronic bulletin board established for the Massachusetts Government Finance Officers Association (MGFOA). Joseph Kelley, Director of Budget and Finance for the City of Lawrence, developed and now maintains the bulletin board, which allows people who work in government finance to send messages, share files, and ask and answer questions. To call the bulletin board, a user would need to have a microcomputer, a modem, and inexpensive communication software. Modems and communication software can be purchased from approximately \$250 to \$350 and \$35 to \$40, respectively. Callers would also pay for phone calls to the bulletin board.

According to Mr. Kelley, the bulletin board might be used to "share a slick Lotus 1-2-3 tem-

plate, submit an article to the MGFOA newsletter *Dollars and Cents*, and to send a draft of a request for proposals quickly to someone in a different part of the state". He is also encouraging experts in the private sector who have expertise in finance to contribute to the bulletin board by answering queries. Further information on the MGFOA bulletin board can be found in the September 1987 issue of *Dollars and Cents*.

The Division of Local Services plans to join the MGFOA bulletin board and will use it to communicate with participating finance officers on a variety of topics in municipal law and finance, and to respond to users' questions. In addition, the Bureau of Local Assessment will be setting up a bulletin board in the next few months for users of the Computer Assisted Mass Appraisal (CAMA) system.

Workshop on Planning for Community Growth Offered

A workshop on "Planning for Community Growth: Financial Impacts of Development," will be held for Hampden, Hampshire and Franklin county officials (Selectmen, City Councilors, Fincom members, Town/City Managers and Administrators, Executive Secretaries and Planning Board members) on February 3, 1988 at 7 p.m. at Holyoke Community College. The workshop, co-sponsored by the Massachusetts Department of Revenue's Division of Local Services and the University of Massachusetts Center for Economic Development

(CED), is intended to assist cities and towns in identifying the impacts of growth on municipal budgets. Proposed topics to be addressed include the identification of data needed to estimate the fiscal impacts of growth; estimating the capacity of existing services to accommodate growth; and estimating the impact of growth on a municipality's capital needs. For further information on this workshop, call CED at (413) 545-4395 or the Division of Local Services at (617) 727-9260.



On the Hill

Preliminary Tax Bill

Chapter 463, proposed by the Department of Revenue, allowing all cities and towns to issue estimated tax bills on a permanent basis, was signed into law by Governor Dukakis on November 3. The emergency preamble makes this law effective immediately.

In-Lieu Tax Payments

Chapter 518 of the Acts of 1987, which was signed by the Governor on November 24, is a proposal of the Department of Revenue. This new law will simplify the determination of in-lieu tax payments to be made to cities, towns and districts under sections 5D, 5F and 5G of Chapter 59 and section 16 of Chapter 121B. (These sections relate to valuation of certain property held by a municipality in another city or town, watershed property of the M.D.C. and certain local housing authority property.) Chapter 518 will allow the municipality or district to determine the value of this property, rather than wait for a determination by the Commissioner.

This will not add a burden to insure that the same amount of reimbursement is guaranteed to the locality.

Laws of Interest to Collectors

Three new laws should be of interest to collectors: Chapter 376 requires that no property tax refunds or abatements may be made for less than \$1.00; Chapter 379 allows the appointment of assistant collectors; and Chapter 402 allows cities and towns, at their option, to send out one property tax bill when the bill is not over \$50. Chapters 376 and 378 become effective on January 3, 1988, while Chapter 402 is effective as of January 11.

Uniform Procurement Code

H-5595 is a bill establishing a uniform procurement code which would make major changes to the procurement procedures of cities, towns, districts and counties. This bill has passed the House and is now being considered by the Senate Committee on Counties.

Local Profiles

David Davies, CAMA Project Director, Bureau of Local Assessment.

David Davies joined the Division of Local Services in January 1987 as a member of the Bureau of Local Assessment. As Computer Assisted Mass Appraisal (CAMA) Project Director, Mr. Davies directs the planning and implementation of system installations, training programs and on-going technical support for communities using the Department of Revenue's CAMA system.

Mr. Davies developed the implementation plan for CAMA, including training and support components. He has organized and conducted workshops on CAMA cost-benefit analysis throughout the Commonwealth and has monitored software development and pilot testing contract performance. Under Mr. Davies' supervision, the CAMA program has made the transition from a much discussed promise to a daily working reality in an increasing number of communities.

Before coming to the Division of Local Services, Mr. Davies was the Associate Director of Administration for the Mayor's Department of Administration in Providence, Rhode Island. In this capacity, he was responsible for policy analysis and system implementation as part of managerial supervision of all city departments.

Joseph Kelley, Director of Budget and Finance, Lawrence, MA.

Joseph Kelley was appointed Lawrence's Director of Budget and Finance in May 1986. Mr. Kelley is responsible for the city budget and the operation of the entire finance department. Prior to joining the administration in Lawrence, Mr. Kelley was the Assistant Director of the Government Research Center of the Government Finance Officers Association (GFOA) in Washington, D.C. Mr. Kelley has a B.S. and an M.S. in mathematics.

Mr. Kelley is also the editor of the Massachusetts GFOA newsletter, a bimonthly publication read by over 400 subscribers. His latest project is administering the on-line bulletin board for the MGFOA (see page 1), which allows computerized access to information on a wide variety of finance topics.

Mr. Kelley was also an immense help to the Division of Local Services in putting together the first issue of *CITY & Town*. Mr. Kelley provided us with the use of his office's desktop publishing system while we completed installation of our own software.

The Latest in Financial Management Assistance

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DLS Team Presents Workshop to Berkshire Officials

A technical assistance team from the Division's Municipal Data Management and Technical Assistance Bureau presented a workshop on Financial Trends Analysis and Forecasting to Berkshire County officials, department heads and other staff. The team analyzed trends in the county's revenues, expenditures, operating position, debt structure and unfunded liabilities for Fiscal Years 1984 through 1987. In addition to the trend analysis, the team presented a methodology for the

county to use in making a three-year revenue and expenditure forecast.

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For more information on the Financial Management Assistance program, contact:

A. Louis Hayward, Bureau Chief
Carl Valente, Section Chief
Municipal Data Management and
Technical Assistance Bureau
(617) 727-9260

A Look at Municipal Charges

Due to the constraints of Proposition 2 1/2, Massachusetts public officials have become more aware of user fees as a valid source of needed funds. Communities, however, should be aware that there are constitutional restrictions in imposing such charges. For example, in the relatively recent case of *Emerson College v. City of Boston*, 391 Mass. 415, 462 N.E.2d 1098 (1984), the Supreme Judicial Court invalidated a city fire service charge since it was neither a valid fee nor a valid excise.

In 1982, the Legislature authorized the City of Boston to impose an "augmented fire service availability" (AFSA) charge. The rationale for this charge was to protect buildings with physical characteristics which would require, in the event of fire, the presence of more than 14 fire companies and an inordinate share of the City's fire budget. After data had been gathered from inspections of about 5,000 buildings, the City's fire commissioner applied the statutory formula which resulted in charges being levied on two percent (2,000) of the buildings in Boston.

Emerson College objected to the AFSA charges imposed on three of its buildings and brought suit against the City. On appeal, the Supreme Judicial Court struck down both the state statute and the City ordinance.

Although the Supreme Judicial court refused to characterize the AFSA charge as a "fee," the Court did note that the charge bore some similarity to a

user fee because it was related to the costs of fire service. However, the AFSA charge lacked one characteristic essential to any user fee in that it was not sufficiently particularized.

In order to justify this imposition upon a limited group of subscribers, user fees must be charged in exchange for a particular governmental service which benefits the party paying the fee in a manner not shared by the general public. In this case the benefits would not be limited to the owners of the AFSA buildings since adjacent structures (which were never assessed a charge) would also benefit from the suppression of fire.

In addition, the Court stated that the charge resembled a tax since all revenue went to the general fund and was not used to meet expenses incurred in providing the service. However, the AFSA charge could not be upheld as a valid excise tax. An excise tax, by definition, must be "proportional and reasonable." Another essential element of any excise tax is the freedom to choose the service or privilege which is the subject of excise. Not all property owners were affected by this charge and those who were affected were not at liberty to reject the fire services other than by selling their buildings.

Communities, then, which seek to impose charges should be fully aware of the legal principles and concerns voiced by the Supreme Judicial Court in this case.

Municipal Fiscal Calendar

DECEMBER 15 - Taxpayers: Deadline for applying for exemptions.

DECEMBER 16 - Assessors: Deadline for filing Form LA-3 "Sales Reports" for 1988 Equalized Valuation Study.

DECEMBER 31 - Taxpayers: Deadline for filing application for abatement of motor vehicle excise for prior calendar year.

DECEMBER-JANUARY - Mayor/Manager/Selectmen: Begin to finalize budgets for next fiscal year.

JANUARY 1 - Assessors: Property tax assessment date.

JANUARY - Finance Committee: Begin budget review.

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THE STATUS OF THE CAMA PROGRAM

The Department of Revenue's Computer Assisted Mass Appraisal (CAMA) program has made the transition from a much discussed promise to a daily working reality in an increasing number of towns. By the end of 1987, 18 communities had signed up to begin a program that has far-reaching implications for local assessment, tax administration and town finances in Massachusetts.

In the CAMA program, the state has absorbed the cost of purchasing and customizing high quality assessment and tax administration software for use by any municipality. Unlike some state-sponsored approaches elsewhere, the Massachusetts program is voluntary, respecting the Home Rule concerns and professional preferences of local officials. The Division of Local Services encourages cities and towns to develop their own plans for meeting on-going revaluation requirements — plans that will meet their particular needs and objectives.

A critical need for communities conducting their first complete in-house revaluation is continuous, readily available training and technical support. This is a key component of the CAMA program. Installing a computer and a workable assessment program and conducting some initial training is relatively easy for all concerned. Going further into a multi-year, multifaceted revaluation program, however, requires considerable expertise and support. Trained and experienced CAMA staff are available to advise towns (by phone or on-site) on questions that can range from how to make a printer work to how to develop a land schedule to meet a town's unique valuation problems.

An extensive formal training program has been developed which offers classes in all aspects of using the CAMA system. These classes are held in individual town halls and in regional locations, and can be scheduled during the day or evening. In planning this program, the reality of constant turnover on Boards of Assessors and among assessment

staff had to be addressed. Therefore, the training and re-training of local staff is an integral part of the CAMA program. Training and support are provided at no charge to communities.

To participate in the CAMA program, towns must submit a plan (developed with the Division's assistance) that demonstrates that the Board of Assessors has considered all important aspects of in-house revaluation — the commitments as well as the cost savings, the hard work as well as the improved control. The town must also purchase the necessary computer hardware. The goal of the CAMA program is successful, high quality revaluations — not just the successful distribution of a software program. The Division is committed to offering its program on relatively low-cost systems that still meet the multi-user, high-security, and ease-of-use needs of assessing and collector's departments.

A successful CAMA program will have many secondary benefits for other departments in participating towns. The resulting real estate data base could be used for various purposes — custom mailings to property owners on particular streets and improved analysis and projections by town planners, for example. The CAMA program will be equipped with custom query and report writing features to expand its usefulness for both assessors and other officials.

Many towns participating in the CAMA program will use private contractors and consultants for specific phases or tasks within their overall revaluation program. The Division will work with communities and their consultants to make these approaches successful. The increased control that comes with CAMA, however, puts these communities in a better position to negotiate the terms of outside assistance.

(continued on page 8)

Compensation for Assessors

Chapter 469 allows communities which adopt its provisions to increase compensation to their assessors or assistant assessors who have been awarded a certificate by the International Association of Assessing Officers as a Certified Assessment Evaluator (C.A.E.) or a certificate by the Association of Massachusetts Assessors as a Certified Massachusetts Assessor (C.M.A.). The additional compensation would be 10% of the assessor's regular compensation.

Increased Property Tax Exemption

Chapter 499 is also a local option statute, allowing cities or towns to grant an increased property

tax exemption for property owned by organizations of veterans of war. Property would be exempt up to \$700,000 in value.

Liens on Property for Failure to Pay Municipal Charges

Chapter 626 allows communities to impose liens on property for failure to pay municipal charges. It would also allow such municipal charges to be placed on the property tax bill under certain circumstances. A separate vote by town meeting or city council is needed to impose liens for each type of charge or fee. This law became effective on December 30, 1987.

MOORING AND SLIP FEES: VALID CHARGES

On November 19, 1987, the Massachusetts Appeals Court upheld a municipal ordinance which imposed a mooring and slip fee on boats or vessels in local waters. The Court held in *Commonwealth v. Caldwell* that these user fees were valid charges and not taxes.

The case concerned three non-resident boat owners who moored their boats in Beverly. In 1984 the Beverly harbormaster imposed, pursuant to city ordinance, the mooring and slip fee which was at a rate of \$1 per foot of length with a minimum charge of \$20. The three owners declined to pay the fees and were subsequently convicted in Salem District Court. On appeal, the boat owners contended this charge was a tax for which there was no legislative authorization as required by the State Constitution.

In dismissing the claim of the boat owners, the Appeals Court discussed *Emerson College v. Boston*, 391 Mass. 415 (1984) which listed three characteristics to distinguish user fees from taxes.

First, the charges must be in return for a particular governmental service which specifically benefits the party paying the fee. In this case, the harbormaster's services (the supervision and regulation of Beverly boaters and the furnishing of

assistance to boaters along 13 miles of Beverly coastline) were for the benefit of those required to pay the charges. It was claimed on appeal that some boat owners did not pay a fee because 30 percent of the boaters were transients and two percent of the boats launched from trailers. The court reasoned, however, that the defendant boat owners did receive a particular benefit which was not shared by the general public.

A second characteristic of a fee is voluntary payment. The governmental service user has the choice of not using the service and thereby avoiding the charge. In this instance, boat owners had a meaningful choice in that boats are movable and could be moored other than in Beverly harbor.

The third characteristic of a fee is that it is imposed to meet expenses incurred in providing the service. The harbormaster's budget rose from \$16,135 in fiscal year 1981 to \$41,116 in fiscal year 1985. Revenue from mooring and slip fees, ranging from \$6,213 in fiscal year 1981 to \$16,614 in fiscal year 1985, was earmarked to defray the cost of the services rendered by the harbormaster.

Accordingly, municipalities should seek to adhere to the three-stage *Emerson* test when imposing user fees.

FOCUS

A regular supplement to CITY & Town on topics of municipal finance.

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This is the first **CITY & Town FOCUS**, a series of reports on topics of municipal finance that will be included as a regular supplement to **CITY & Town**. The purpose of this series is to demonstrate the capabilities of the Municipal Data Bank and to provide a regular, in-depth and concise look at specific topics of municipal finance which may be of interest to local officials and other concerned parties. These reports will be developed by the Analysis Unit and Data Bank staff of the Division of Local Services.

Established in 1986, the Analysis Unit provides research and analysis on financial issues of concern to state and local government. The Data Bank, established in 1984 as a section of the Division's Municipal Data Management and Technical Assistance Bureau, is a powerful source of municipal financial and socioeconomic information which can provide municipalities with a powerful budgeting and forecasting tool, helping officials identify trends and anticipate problems.

LEVY INCREASES FY86 - FY87

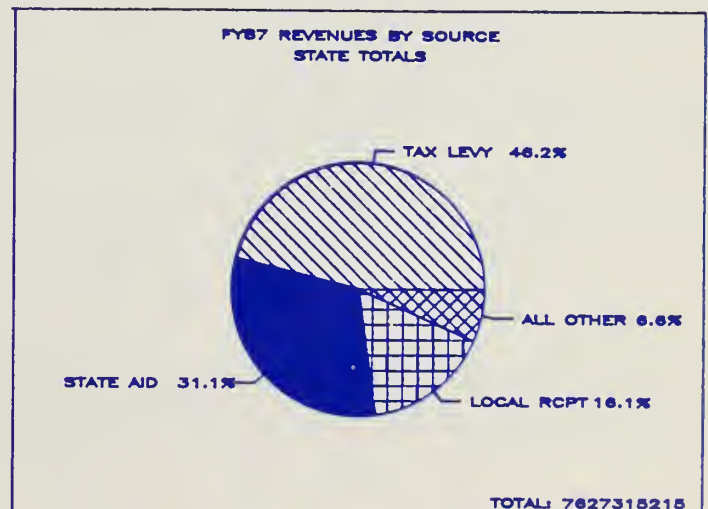
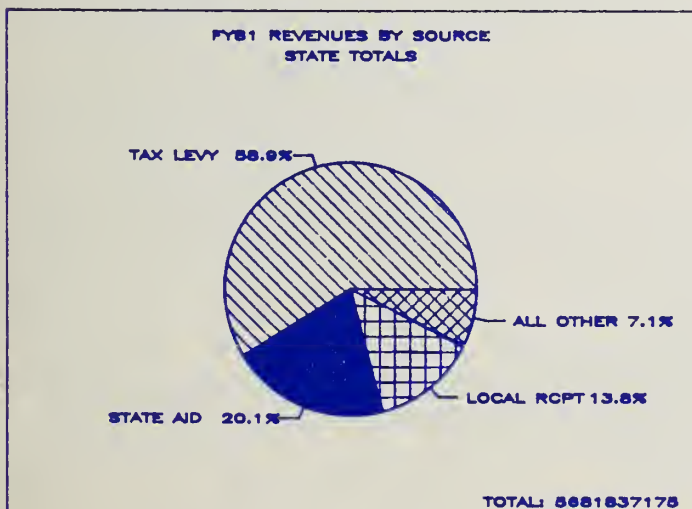
The property tax levy is the revenue a city or town can raise through real and personal property taxes. Municipal revenues to support local spending for schools, public safety, and other public services are raised through the property tax levy, state aid, local receipts, and other sources. The levy is the largest source of revenue for most Massachusetts cities and towns.

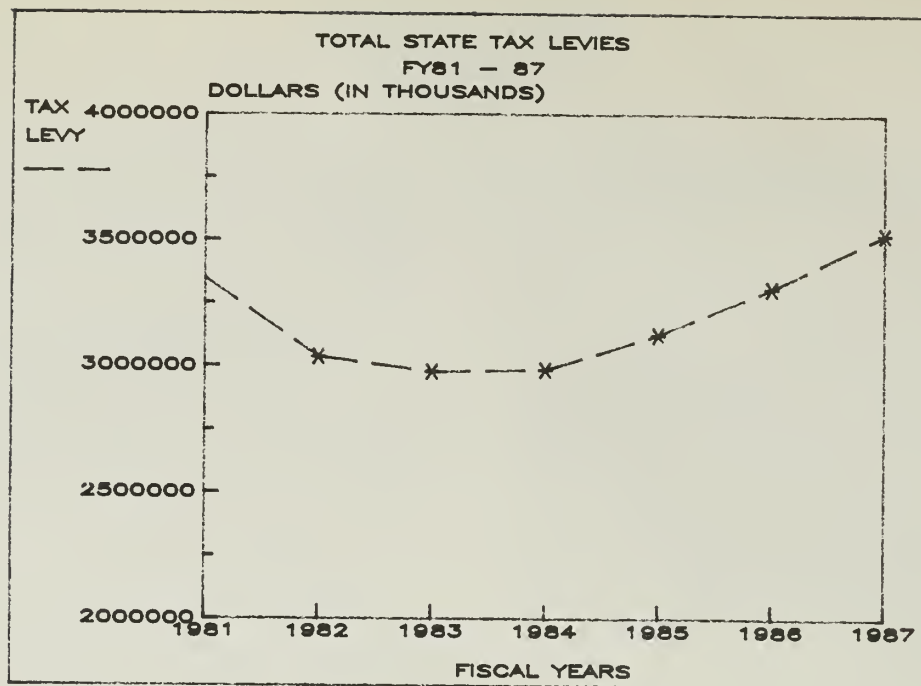
Proposition 2 1/2, approved by the voters in November 1980, limits the levy to no more than 2.5% of the total full and fair cash value of real and personal property in a community. In addition, Proposition 2 1/2 establishes a levy limit for each community which constrains the increase in the levy from one year to the next.

In FY81, the year prior to the implementation of Proposition 2 1/2, the levy accounted for **58.9%** of the revenues of Massachusetts communities. In FY87, the levy accounted for **46.2%** of the revenues of cities and towns. Between FY81 and FY84, the total levy for the state's 351 communities dropped by **10.5%** or **\$351.8 million**. The FY86 levy of **\$3.299 billion** still remained just below the FY81 levy of **\$3.346 billion**.

In FY87, the levy was **\$3.526 billion**, a dollar increase over the FY86 levy of **\$2.26 million** and a percentage increase of **6.9%**. A total of **19** communities decreased their levies. The largest levy decrease was for **21.2%**, while the largest levy increase was for **92.7%**.

The following graph shows statewide levy changes from FY81 to FY87, while the charts show revenues by source for FY81 and FY87. The attached printout shows FY86 and FY87 levies and the dollar and percentage change by community for the 349 communities that have set their FY87 tax rates.





RESOURCES

- *Everything You Always Wanted To Know About Levy Limits...But Were Afraid To Ask: A Primer on Proposition 2 1/2* is designed to guide local officials through the mechanics of Proposition 2 1/2, focusing on those aspects of the law that cause the most confusion, for example: the ways in which Proposition 2 1/2 limits the property tax, how an override differs from a debt or capital outlay expenditure exclusion, and how new growth works. For a copy of this primer, contact:

**Analysis Unit
Division of Local Services
P.O. Box 7015
Boston MA 02204
(617) 727-2300**

- The information provided in **CITY & Town FOCUS** is developed by the Municipal Data Bank of the Division of Local Services. The Municipal Data Bank is a powerful source of municipal financial and socioeconomic information. A computerized repository for a series of financial documents which each Massachusetts municipality is required to file annually with the Division of Local Services, the Data Bank uses this large database, as well as information from the U.S. Census Bureau and state agencies, to generate a wide variety of reports for local officials and others. The Data Bank can prepare both standardized and specialized reports. There is no charge to local and other public officials for these services. For more information on the Municipal Data Bank, contact:

**Municipal Data Management and
Technical Assistance Bureau
P.O. Box 7015
Boston, MA 02204
(617) 727-9260**

* * * * *

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FY86-87 TAX LEVIES, ACTUAL DOLLAR CHANGE AND % CHANGE

MUNICIPALITY	FY86 TAX LEVY	FY87 TAX LEVY	ACTUAL CHANGE	% CHANGE	MUNICIPALITY	FY86 TAX LEVY	FY87 TAX LEVY	ACTUAL CHANGE	% CHANGE	MUNICIPALITY	FY86 TAX LEVY	FY87 TAX LEVY	ACTUAL CHANGE	% CHANGE	MUNICIPALITY	FY86 TAX LEVY	FY87 TAX LEVY	ACTUAL CHANGE	% CHANGE
ABINGTON	6,127,598	6,592,075	464,477	7.6	DEERFIELD	1,856,732	1,971,522	114,790	6.2	LANCASTER	2,504,838	2,322,283	(182,555)	-7.3					
ACTION	14,690,226	15,629,614	939,388	6.4	DENNIS	8,238,971	8,850,342	611,371	7.4	LANESBOROUGH	1,429,844	1,566,572	136,728	11.7					
ACUSHNET	3,008,581	3,221,630	213,049	7.1	DIGHTON	1,836,204	2,014,725	178,521	9.7	LAWRENCE	18,818,112	19,288,878	468,766	2.5					
ADAMS	3,320,280	3,188,140	(132,140)	-4.0	DOUGLAS	1,836,204	2,014,725	178,521	9.7	LEE	2,812,040	3,115,329	303,289	10.8					
AGAWAM	12,340,803	13,153,532	811,729	6.6	DOVER	4,873,126	5,073,889	200,763	4.1	LEICESTER	2,772,340	2,827,537	55,197	2.0					
ALFORD	266,417	268,436	1,999	0.8	DRAUGHT	10,355,952	11,481,212	1,125,260	10.9	LENEX	3,171,899	3,171,899	0	0.0					
ALFORD	6,682,514	7,274,911	592,397	8.9	DUDLEY	2,017,932	2,030,629	12,697	0.6	LEMINSTER	13,967,784	15,003,989	1,036,205	7.4					
AMESBURY	7,777,396	8,296,801	519,405	6.7	DUNSTABLE	914,533	977,003	62,470	6.8	LEVERETT	804,453	804,453	0	0.0					
ANDOVER	26,147,479	28,492,164	2,344,685	9.0	DUXBURY	12,152,931	13,794,030	1,641,099	13.5	LEXINGTON	31,019,098	33,153,338	2,134,240	6.9					
ASHBURNHAM	1,979,662	2,137,980	158,318	7.9	E. BROOKFIELD	5,045,480	5,343,756	298,276	5.9	LYNN	3,300,038	3,421,521	121,483	3.7					
ASHBY	1,046,056	1,121,204	75,148	7.2	E. LONGMEADOW	7,881,233	8,056,572	175,339	2.2	LINCOLN	5,505,181	5,505,181	0	0.0					
ASHFIELD	1,362,362	1,481,881	119,519	8.8	EASTHAM	3,281,347	3,576,727	295,380	9.0	LITTLETON	4,990,786	5,486,620	495,834	9.9					
ASHLAND	7,454,364	8,454,578	1,000,214	13.4	EASTHAMPTON	5,577,929	5,577,929	0	0.0	LONGMEADOW	11,643,094	12,908,818	1,265,724	10.9					
ATHOL	2,281,385	1,798,304	(483,081)	-21.2	EASTON	9,512,631	10,451,018	938,387	9.9	LOWELL	38,431,596	41,098,866	2,667,270	6.9					
ATTLEBORO	15,831,749	16,741,822	910,073	5.7	EDGEMONT	3,407,096	3,984,896	577,800	17.0	LUDLOW	NOT AVAILABLE AT THIS TIME								
AUBURN	7,570,285	8,470,040	899,755	11.9	EGREMONT	7,207,977	7,808,845	598,868	8.3	LUNENBURG	4,274,866	4,539,075	264,209	6.2					
AUBURN	3,506,125	4,073,752	567,627	16.2	ERVING	1,488,254	1,808,455	320,201	21.5	LYNN	38,417,320	39,994,940	1,577,620	4.1					
AYER	NOT AVAILABLE AT THIS TIME				ESSEX	29,478,362	31,959,479	2,481,117	8.4	LYNNFIELD	6,642,830	6,642,830	0	0.0					
BARNSTABLE	28,487,075	31,128,577	2,641,502	10.3	EVERETT	46,210,452	48,296,812	2,086,360	4.5	MALDEN	24,545,218	25,718,267	1,173,049	4.8					
BARKER	1,319,241	1,357,575	38,334	2.9	FAIRHAVEN	9,431,743	10,702,624	1,270,881	13.5	MALDEN	5,446,748	5,446,748	0	0.0					
BECKET	1,910,055	1,961,738	51,683	2.7	FALL RIVER	7,707,609	7,781,474	73,865	0.9	MALDEN	5,446,748	5,446,748	0	0.0					
BEFORD	13,244,500	15,496,938	2,252,438	17.0	FALMOUTH	22,722,845	23,264,829	541,984	2.4	MANSFIELD	9,312,131	9,733,760	421,629	4.5					
BELCHERTON	3,080,146	3,263,890	183,744	6.0	FITCHBURG	18,584,829	24,491,624	5,906,795	31.8	MARTIN	17,238,050	17,819,201	581,151	3.4					
BELLINGHAM	5,327,750	5,863,392	535,642	10.1	FLORIDA	611,139	663,940	52,801	8.6	MARLBOROUGH	22,095,954	23,332,975	1,237,021	5.6					
BELMONT	2,082,983	2,167,341	84,358	4.1	FOXBOROUGH	8,566,655	9,445,804	879,149	10.3	MARLBOROUGH	12,902,848	13,813,448	910,600	7.1					
BELLEVILLE	1,023,827	1,188,389	164,562	16.1	FRAMINGHAM	4,621,052	4,829,832	208,780	4.5	MARSHFIELD	12,902,848	13,813,448	910,600	7.1					
BELLEVILLE	1,023,827	1,188,389	164,562	16.1	FRANKLIN	9,431,743	10,702,624	1,270,881	13.5	MASHPEE	6,113,420	6,957,389	843,969	13.8					
BELLEVILLE	1,023,827	1,188,389	164,562	16.1	FREETON	3,587,684	3,910,623	322,939	9.0	MATAPoisETT	3,500,999	3,789,861	288,862	8.3					
BELLEVILLE	1,023,827	1,188,389	164,562	16.1	GARDNER	6,186,501	6,522,732	336,231	5.4	MATAPoisETT	3,500,999	3,789,861	288,862	8.3					
BELLEVILLE	1,023,827	1,188,389	164,562	16.1	GAY HEAD	317,468	344,334	26,866	8.5	MEDFORD	7,013,217	7,314,818	301,601	4.3					
BELLEVILLE	1,023,827	1,188,389	164,562	16.1	GEORGETOWN	2,893,902	3,046,646	152,744	5.3	MEDFORD	7,013,217	7,314,818	301,601	4.3					
BELLEVILLE	1,023,827	1,188,389	164,562	16.1	GILL	418,904	438,978	20,074	4.8	MELROSE	5,411,957	5,930,348	518,391	9.6					
BELLEVILLE	1,023,827	1,188,389	164,562	16.1	GLoucester	20,698,938	21,684,366	985,428	4.8	MELROSE	5,411,957	5,930,348	518,391	9.6					
BELLEVILLE	1,023,827	1,188,389	164,562	16.1	GROTON	4,618,620	5,345,282	726,662	15.7	MENDON	1,625,063	1,880,013	254,950	15.7					
BELLEVILLE	1,023,827	1,188,389	164,562	16.1	GRANVILLE	2,096,859	2,165,299	68,440	3.3	METHUEN	18,338,174	19,291,977	953,803	5.2					
BELLEVILLE	1,023,827	1,188,389	164,562	16.1	GRANVILLE	2,096,859	2,165,299	68,440	3.3	METHUEN	18,338,174	19,291,977	953,803	5.2					
BELLEVILLE	1,023,827	1,188,389	164,562	16.1	GRANVILLE	2,096,859	2,165,299	68,440	3.3	MIDDLEBOROUGH	7,324,732	8,163,723	838,991	11.5					
BELLEVILLE	1,023,827	1,188,389	164,562	16.1	GRANVILLE	2,096,859	2,165,299	68,440	3.3	MIDDLEBOROUGH	7,324,732	8,163,723	838,991	11.5					
BELLEVILLE	1,023,827	1,188,389	164,562	16.1	GRANVILLE	2,096,859	2,165,299	68,440	3.3	MIDDLEBOROUGH	7,324,732	8,163,723	838,991	11.5					
BELLEVILLE	1,023,827	1,188,389	164,562	16.1	GRANVILLE	2,096,859	2,165,299	68,440	3.3	MIDDLEBOROUGH	7,324,732	8,163,723	838,991	11.5					
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BELLEVILLE	1,023,827	1,188,389	164,562	16.1	GRANVILLE	2,096,859	2,165,299	68,440	3.3	MIDDLEBOROUGH	7,324,732	8,163,723	838,991	11.5					
BELLEVILLE	1,023,827	1,188,389	164,562	16.1	GRANVILLE	2,096,859	2,165,299	68,440	3.3	MIDDLEBOROUGH	7,324,732	8,163,723	838,991	11.5					
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BELLEVILLE	1,023,827	1,188,389	164,562	16.1	GRANVILLE	2,096,859	2,165,299	68,440	3.3	MIDDLEBOROUGH	7,324,732	8,163,723	838,991	11.5					
BELLEVILLE	1,023,827	1,188,389	164,562	16.1	GRANVILLE	2,096,859	2,165,299	68,440	3.3	MIDDLEBOROUGH	7,324,732	8,163,723	838,991	11.5					
BELLEVILLE	1,023,827	1,188,389	164,562	16.1	GRANVILLE	2,096,859	2,165,299	68,440	3.3	MIDDLEBOROUGH	7,324,732	8,163,723	838,991	11.5					
BELLEVILLE	1,023,827	1,188,389	164,562	16.1	GRANVILLE	2,096,859	2,165,299	68,440	3.3	MIDDLEBOROUGH	7,324,732	8,163,723	838,991	11.5					
BELLEVILLE	1,023,827	1,188,389	164,562	16.1	GRANVILLE	2,096,859	2,165,299	68,440	3.3	MIDDLEBOROUGH	7,324,732	8,163,723	838,991	11.5					
BELLEVILLE	1,023,827	1,188,389	164,562	16.1															

FY86-87 TAX LEVIES, ACTUAL DOLLAR CHANGE AND % CHANGE

MUNICIPALITY	FY86 TAX LEVY	FY87 TAX LEVY	ACTUAL CHANGE	% CHANGE	MUNICIPALITY	FY86 TAX LEVY	FY87 TAX LEVY	ACTUAL CHANGE	% CHANGE	STATE TOTALS	FY86 TAX LEVY	FY87 TAX LEVY	ACTUAL CHANGE	% CHANGE	STATE AVERAGE
NORWOOD	17,675,984	18,636,494	\$960,510	5.4	SUBURY	14,525,575	15,816,490	1,290,915	8.9		15,816,490	15,816,490	0	0.0	
OAK BLUFFS	2,796,955	2,983,979	\$187,024	6.7	SUNDERLAND	676,660	777,436	100,776	14.9		777,436	777,436	0	0.0	
ORAN	515,725	527,220	\$11,495	2.2	SUTTON	2,937,589	3,086,059	148,470	5.1		3,086,059	3,086,059	0	0.0	
ORANGE	1,858,115	2,087,543	\$229,428	12.3	SWAMPSCOTT	11,229,136	11,871,408	642,272	5.7		11,871,408	11,871,408	0	0.0	
ORLEANS	4,996,781	5,321,976	\$325,195	6.5	SWANSEA	7,195,629	7,600,634	405,005	5.6		7,600,634	7,600,634	0	0.0	
OTIS	891,630	1,015,109	\$123,479	13.8	TAUNTON	14,651,879	15,761,879	1,110,000	7.6		15,761,879	15,761,879	0	0.0	
OXFORD	3,825,506	4,623,171	\$797,665	20.9	TEMPLETON	13,893,365	15,138,658	1,245,293	9.0		15,138,658	15,138,658	0	0.0	
PALMER	4,022,437	4,209,406	\$186,969	4.6	TENKSBURY	9,953,378	10,106,761	153,383	1.5		10,106,761	10,106,761	0	0.0	
PAXTON	1,840,578	1,897,899	\$57,321	3.1	TILLSBURY	2,939,867	3,358,021	418,154	14.2		3,358,021	3,358,021	0	0.0	
PEABODY	26,659,678	28,399,645	\$1,699,967	6.4	TOLLAND	204,822	243,778	38,956	19.0		243,778	243,778	0	0.0	
PELHAM	649,894	712,850	\$62,956	9.7	TOPSFIELD	3,714,761	3,876,153	161,392	4.3		3,876,153	3,876,153	0	0.0	
PENOBSCOT	6,842,944	7,389,147	\$546,203	7.9	TOWNSEND	2,836,915	3,217,338	380,423	13.4		3,217,338	3,217,338	0	0.0	
PENNEBROOK	3,682,062	4,295,170	\$613,108	17.4	TUFTS	1,542,496	1,761,644	219,148	14.2		1,761,644	1,761,644	0	0.0	
PERU	314,880	394,970	\$80,090	25.4	TYNGSBOROUGH	3,513,744	3,713,210	199,466	5.7		3,713,210	3,713,210	0	0.0	
PETERSHAM	458,034	508,370	\$50,336	11.0	TYRINGHAM	239,685	298,222	58,537	24.4		298,222	298,222	0	0.0	
PHILLIPSTON	375,768	374,286	\$(1,482)	-0.5	UPTON	1,780,787	1,827,772	46,985	2.6		1,827,772	1,827,772	0	0.0	
PHITTSFIELD	19,746,787	20,555,538	\$808,751	4.1	UXBRIDGE	3,193,570	3,618,276	424,706	13.3		3,618,276	3,618,276	0	0.0	
PLAINFIELD	3,350,644	3,389,953	\$39,309	1.2	WAKEFIELD	17,723,925	18,551,139	827,214	4.7		18,551,139	18,551,139	0	0.0	
PLAINVILLE	3,047,182	3,129,374	\$82,192	2.7	WALES	460,397	540,610	80,213	17.4		540,610	540,610	0	0.0	
PLYMOUTH	30,439,937	33,969,792	\$3,529,855	11.5	WALPOLE	12,433,797	13,141,906	708,109	5.7		13,141,906	13,141,906	0	0.0	
PLYMPTON	1,225,236	1,462,282	\$237,046	19.3	WALTHAM	38,750,488	40,796,780	2,046,292	5.3		40,796,780	40,796,780	0	0.0	
PRINCETON	1,580,372	1,754,605	\$174,233	11.0	WARE	3,283,212	3,423,807	140,595	4.3		3,423,807	3,423,807	0	0.0	
PROVINCETON	4,541,594	5,420,214	\$878,620	19.3	WAREHAM	9,628,747	10,823,805	1,195,058	12.4		10,823,805	10,823,805	0	0.0	
QUINCY	48,240,527	51,709,660	\$3,469,133	7.2	WARREN	1,200,129	1,231,142	31,013	2.6		1,231,142	1,231,142	0	0.0	
RANDOLPH	15,364,145	15,418,754	\$54,609	0.4	WARWICK	286,503	312,900	26,397	9.2		312,900	312,900	0	0.0	
RAYNHAM	4,212,629	4,753,091	\$540,462	12.8	WASHINGTON	219,536	192,311	\$(27,225)	-12.4		192,311	192,311	0	0.0	
READING	15,693,497	16,480,353	\$786,856	5.0	WATERSTOWN	24,231,467	25,188,690	957,223	4.0		25,188,690	25,188,690	0	0.0	
REHOBOTH	4,104,903	4,241,378	\$136,475	3.3	WAYLAND	12,572,512	13,289,417	716,905	5.7		13,289,417	13,289,417	0	0.0	
REVERE	21,116,317	21,438,632	\$322,315	1.5	WEBSTER	4,382,706	4,394,667	11,961	0.3		4,394,667	4,394,667	0	0.0	
RICHMOND	958,335	935,472	\$(22,863)	-2.4	WELLESLEY	25,872,293	26,637,629	765,336	3.0		26,637,629	26,637,629	0	0.0	
ROCHESTER	1,777,133	1,979,681	\$202,548	11.4	WELFLEET	2,351,043	2,513,556	162,513	6.9		2,513,556	2,513,556	0	0.0	
ROCKLAND	7,034,938	7,345,749	\$310,811	4.4	WENHAM	268,544	315,255	46,711	17.4		315,255	315,255	0	0.0	
ROCKPORT	4,806,835	5,185,439	\$378,604	7.9	WEST BOWDOIN	3,329,233	3,528,686	199,453	5.9		3,528,686	3,528,686	0	0.0	
ROME	1,111,168	1,261,222	\$150,054	13.5	WEST BROOKFIELD	3,469,932	3,850,446	380,514	11.0		3,850,446	3,850,446	0	0.0	
ROWLEY	2,032,880	2,188,346	\$155,466	7.7	WEST NEWBURY	3,511,428	3,742,132	230,704	6.6		3,742,132	3,742,132	0	0.0	
RUSSSELL	280,476	319,197	\$38,721	13.8	WEST TISBURY	1,391,782	1,719,445	327,663	23.5		1,719,445	1,719,445	0	0.0	
RUTLAND	1,376,441	1,739,436	\$362,995	26.3	WESTBOROUGH	10,448,516	13,035,849	2,587,333	24.8		13,035,849	13,035,849	0	0.0	
SALISBURY	24,296,742	25,373,287	\$1,076,545	4.4	WESTFIELD	17,398,367	18,328,477	930,110	5.4		18,328,477	18,328,477	0	0.0	
SANDWICH	3,225,116	3,380,979	\$155,863	4.8	WESTFORD	9,382,299	10,772,699	1,390,400	14.8		10,772,699	10,772,699	0	0.0	
SANDWICH	488,746	595,980	\$107,234	21.9	WESTHAMPTON	2,572,934	2,690,042	117,108	4.6		2,690,042	2,690,042	0	0.0	
SAUGUS	9,044,442	10,107,783	\$1,063,341	11.8	WESTMINSTER	12,828,770	14,180,299	1,351,529	10.5		14,180,299	14,180,299	0	0.0	
SAVOY	12,578,292	13,500,223	\$921,931	7.3	WESTON	6,470,614	6,713,350	242,736	3.8		6,713,350	6,713,350	0	0.0	
SCITUATE	7,557,541	7,889,262	\$331,721	4.4	WESTPORT	14,039,587	14,951,789	912,202	6.5		14,951,789	14,951,789	0	0.0	
SEABOARD	9,489,440	10,501,777	\$1,012,337	10.7	WESTWOOD	26,280,881	28,035,719	1,754,838	6.7		28,035,719	28,035,719	0	0.0	
SHEFFIELD	1,504,541	1,572,255	\$67,714	4.5	WHATELY	631,336	649,878	18,542	2.9		649,878	649,878	0	0.0	
SHELBURNE	865,142	836,383	\$(28,759)	-3.3	WHITMAN	5,950,178	6,813,458	863,280	14.5		6,813,458	6,813,458	0	0.0	
SHERBORN	4,463,436	4,983,591	\$520,155	11.7	WILBRAND	7,241,370	7,397,409	156,039	2.2		7,397,409	7,397,409	0	0.0	
SHIRLEY	1,329,638	1,612,830	\$283,192	21.3	WILLIAMSBURG	955,000	1,039,181	84,181	8.8		1,039,181	1,039,181	0	0.0	
SHUTESBURY	11,927,615	12,608,546	\$680,931	5.7	WILLIAMSTOWN	4,075,376	4,332,836	257,460	6.3		4,332,836	4,332,836	0	0.0	
SOMERSET	665,608	752,208	\$86,600	13.0	WINCHENDON	16,310,580	17,235,490	924,910	5.7		17,235,490	17,235,490	0	0.0	
SOMERVILLE	17,073,225	17,537,551	\$464,326	2.7	WINCHESTER	2,286,405	2,465,892	179,487	7.8		2,465,892	2,465,892	0	0.0	
SOUTH ADAMS	3,106,968	3,088,745	\$(18,223)	-0.6	WINDSOR	19,459,619	20,496,945	1,037,326	5.3		20,496,945	20,496,945	0	0.0	
SOUTHAMPTON	5,217,303	5,299,565	\$82,262	1.6	WINTHROP	245,629	292,445	47,016	19.1		292,445	292,445	0	0.0	
SOUTHBRIDGE	1,740,125	1,951,131	\$211,006	12.1	WOBURN	6,784,212	6,646,233	\$(137,979)	-2.0		6,646,233	6,646,233	0	0.0	
SOUTHBRIDGE	5,370,906	5,820,860	\$449,954	8.4	WORCESTER	22,773,473	25,025,909	2,252,436	9.9		25,025,909	25,025,909	0	0.0	
SOUTHBRIDGE	4,971,924	5,513,917	\$541,993	10.9	WORTHINGTON	86,386,292	70,698,655	\$(15,687,637)	-18.2		70,698,655	70,698,655	0	0.0	
SOUTHBRIDGE	3,544,387	3,631,807	\$87,420	2.5	WRENTHAM	446,073	470,722	24,649	5.5		470,722	470,722	0	0.0	
SOUTHBRIDGE	2,742,750	2,579,298	\$(163,452)	-5.9	YARMOUTH	4,286,805	4,648,729	361,924	8.4		4,648,729	4,648,729	0	0.0	
SPENCER	56,414,224	58,739,470	\$2,325,246	4.1		11,800,143	12,283,071	482,928	4.1		12,283,071	12,283,071	0	0.0	
STERLING	3,141,792	3,259,308	\$117,516	3.7											
STOCKBRIDGE	1,689,877	1,928,599	\$238,722	14.1											
STONEHAM	14,090,613	14,981,714	\$891,101	6.3											
STOUGHTON	14,298,554	15,545,793	\$1,247,239	8.7											

STATE TOTALS
FY86 \$3,299,715,261
FY87 \$3,526,304,150
CHANGE \$226,588,889
% CHANGE 6.9%

STATE AVERAGE
FY86 \$9,454,772
FY87 \$10,104,023
CHANGE \$649,251
% CHANGE 6.9%

The Latest in Financial Management Assistance

The Municipal Data Management and Technical Assistance Bureau (MDM/TAB) offers consulting services to cities and towns on a wide range of municipal finance topics. All management analysis and assistance are provided at no charge to the community.

Shrewsbury: Revenue and Expenditure Forecast

In an effort to determine its ability to fund a capital improvements program and meet other future departmental and town-wide needs, the town of Shrewsbury had the Division of Local Services prepare a five-year revenue and expenditure forecast for the period of FY89-FY93.

Agawam: Review of Collector's Office

The Division's Technical Assistance Unit reviewed the operations and procedures of Agawam's Collector's Office. Among the issues that the team addressed were maintenance of records, interactions between the collector's and the treasurer's offices, the collection of delinquent taxes, and the division of responsibility among the collector's staff.

Sandwich: Review of Assessing Operations

Members of the Division's Bureau of Local Assessment and Technical Assistance Bureau met with town officials and office staff in order to review the operations of the Sandwich Assessing office. Due to the town's rapid growth and a recent charter change, town officials recognized the need for

the reorganization of this important financial office. The Division's management consultants made recommendations to assist in this reorganization.

Revision of the Revenue and Expenditure Forecasting Workbook

The Municipal Data Management and Technical Assistance Bureau has revised its well-received Revenue and Expenditure Forecasting Workbook. The revised workbook reflects recent changes in Massachusetts municipal law and refinements of DOR's forecasting methodology. Copies of the revised workbook can be obtained by contacting Rick Kingsley at the Municipal Data Management and Technical Assistance Bureau.

* * * * *

For more information on the Financial Management Assistance program, contact:

A. Louis Hayward, Bureau Chief
Carl Valente, Section Chief
Municipal Data Management and
Technical Assistance Bureau
(617) 727-9260

MUNICIPAL FISCAL CALENDAR

FEBRUARY 3 - Assessors: Deadline for submitting Assessment/Classification Report (Form LA-4) and estimate of growth for the 1988 Equalized Valuation Study.

FEBRUARY 15 - Department of Revenue: Certifies special education assessments and quarterly distributions of local aid for State Treasurer to distribute on March 1.

FEBRUARY 15 - Treasurer: Second Quarterly

Reconciliation of Cash (due 45 days after end of quarter).

FEBRUARY - Finance Committees: Continue budget reviews and develop recommendations (depending on dates of Town Meeting).

FEBRUARY - Department of Revenue: Course 101 for Assessors begins in Sharon. 10 evening sessions. For information, contact Jean McCarthy, (617) 727-2458.

Each of the towns now involved in the CAMA program has its own unique approach for meeting certification requirements, some with the aid of consultants, some with temporary employees, and some with existing staff alone. These towns include (in order of installation) Southborough, Grafton, Wellfleet, Harvard, West Stockbridge, Lunenburg, East Brookfield, Oakham, Lee and Plainfield. Starting within the next few months are Ayer, Northborough, Westfield, Berkley, Rochester, Reading, Middlefield and North Brookfield. This wide geographic distribution and diversity will enrich a soon-to-be-organized CAMA Users Group. Members, composed exclusively of local CAMA us-

ers, will assist each other and share with the Division of Local Services their acquired expertise, experiences and tips on how best to use and improve the system.

For more information on the CAMA program, please contact:

Division of Local Services
Bureau of Local Assessment
200 Portland Street
P.O. Box 7015
Boston, MA 02204
(617) 727-4217

In order to mail **CITY & Town** to you on a timely basis, we have consolidated the months of January and February into one issue. We apologize for any inconvenience that may have resulted from our printing and mailing difficulties and we thank you for your patience.

* * * * *

CITY & Town, a publication of the Massachusetts Department of Revenue's Division of Local Services, is published 11 times per year. The Division is responsible for the oversight and assistance to cities and towns in achieving equitable property taxation and efficient fiscal management.

(617) 727-2300

Editor: *Sandra (Sam) Clutter*

CITY & Town

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Deputy Commissioner

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Over \$24 Million in Local Option Taxes Distributed to Cities and Towns

The largest distribution to date of local option room occupancy and jet fuel taxes was made at the end of December, with **80** communities receiving a total of **\$24.7 million**. The Department of Revenue collects local option room occupancy and jet fuel taxes on behalf of cities and towns and distributes these funds twice each year, in June and December. The December distribution brings the total collected for communities since the law authorizing the two local option taxes passed in July 1985 to over **\$78.5 million**.

The State Legislature empowered cities and towns to impose a local room occupancy excise and jet fuel excise in July 1985. The law allows communities to impose a room tax of up to 4% in addition to the regular State room tax of 5.7%.

The Local Option Hotel-Motel Tax, a recent study by the Division of Local Services, found that of the 351 cities and towns in Massachusetts, **237** or **67.5%** have hotel-motel excise revenue capacity. To date, **83** communities have adopted the hotel-motel excise, and **81** of these have hotel-motel capacity, representing **34%** of all communities statewide that are eligible to receive revenues from the excise.

Overall, those communities able to receive the greatest financial benefit have already adopted the tax. However, there are still communities with significant hotel-motel revenue capacity that have not yet adopted the tax. It is estimated that if all communities imposed the tax they could generate an additional **\$3.7 million** annually.

"Like state aid, local option taxes play an important role in guaranteeing the fiscal health of cities and towns," said Revenue Commissioner Stephen W. Kidder, noting that "in the face of ongoing federal cutbacks and the revenue raising limitations of Proposition 2 1/2, these local option taxes enable communities to diversify their revenue base." According to Edward J. Collins, Deputy Commissioner for Local Services, "Our research shows that these local option taxes have offered cities and towns valuable new revenue without adversely affecting their tourist or aviation industries."

For a copy of *The Local Option Hotel-Motel Tax* contact Julie Slavet, Analysis Unit, Division of Local Services, Massachusetts Department of Revenue, P.O. Box 7015, Boston MA 02204. (617) 727-2300.

Municipal Fiscal Calendar

MARCH 1 - **Department of Revenue:** Issues Cherry Sheets.

MARCH 1 - **Personal Property Owners:** Form of List (listing personal property).

MARCH 1 - **Non-Profit Organizations:** Final filing data for 3ABC forms.

MARCH - **Accounting Officer:** Certify total proceeds from sale of tax title possessions and receipts from tax title redemptions, in addition to prior year's real and personal property tax collection.

Chapter 712 of the Acts of 1987, a recommendation of the Department of Revenue, becomes effective on April 11, 1988. It makes several changes to the laws affecting cities and towns.

First, the new provision amends the law governing the overlay. The 5 percent limit on the amount of the overlay is removed. The Board of Assessors will now be required to transfer the excess to a reserve fund upon their own initiative or within 10 days of a written request by the chief executive officer. Perhaps most significantly, in order to provide communities with greater flexibility, the new law removes the restrictions on the purposes for which excess overlay funds may be spent. In addition, the bill provides that the balance in the reserve fund which has not been spent shall be transferred to surplus revenue at the close of the fiscal year.

Second, Chapter 712 makes clarifying amendments to the local scholarship fund law (Chapter 194 of the Acts of 1986). The scholarship fund is declared a trust fund and is not subject to further appropriation. The duties and responsibilities of the various officers mentioned in Chapter 194 are clearly defined. The fund is limited to post-secondary school financial aid. The new law clarifies that interest becomes a part of the fund, and that

an insert as well as a check-off on the bill is permissible. Chapter 712 repeals Chapter 194 of 1986 and provides that any community which has adopted Chapter 194 will automatically become subject to the new provisions.

Chapter 758 of the Acts of 1987, another recommendation of the Department of Revenue, makes corrective changes to the law regulating local property tax exemptions and becomes effective beginning April 13, 1988.

First, the bill makes the deadline for filing applications the same for all property tax exemptions relating to persons. The deadline is December 15, or three months after the bill is mailed, if mailed after September 15. This deadline would apply for the new local option elderly exemptions added by Chapter 73 of the Acts of 1986; the so-called "hardship exemption," Clause 18; the exemptions for surviving spouses and children of police or firefighters killed in the line of duty, Clauses 42 and 43; and the elderly tax deferral, Clause 41A.

Second, the bill consolidates the various exemptions relating to the assessment of local property taxes on intangible property by combining these provisions into a single general exemption.

From the Bureau of Accounts

Status of Schedule A's

Schedule A, the annual financial report for cities and towns in Massachusetts, is one of the major priorities for the Division of Local Services' Bureau of Accounts. 1987 marked the first time that municipalities could take advantage of an automated Schedule A, whereby local users and auditors could complete the form utilizing user friendly computer software (see **CITY & Town**, October 1987). According to Mariellen P. Murphy, the Director of the Bureau of Accounts, **325** communities have submitted their FY87 Schedule A's to date. The remaining cities and towns are being offered ongoing assistance. We wish to thank all the accountants and auditors for the tremendous cooperation we've received during the filing process.

Municipal Audit Reports

The Bureau of Accounts has instituted a new program to analyze recommendations made in municipal audit reports. Specifically, the Bureau will

provide professional assistance to municipalities in implementing the recommendations of audit firms.

To date, the Bureau has analyzed **183** audit reports and sent letters to the communities referencing information contained in the audit report, as well as offering the services of the Bureau of Accounts in developing a corrective action plan.

Tax Rates Certified

The Tax Rate Section at the Bureau of Accounts has certified **281** tax rates as of January 25, 1988. Of this number, **209** were received in the Boston office, **32** in Worcester and **40** in Springfield.

A total of **163** municipalities are classified as "Regional Office" communities. This includes the cities and towns in Berkshire, Franklin, Hampden, Hampshire and Worcester counties. As such, these towns can use the professional services at the regional offices for submitting their tax rates. To date, **72** communities have taken advantage of this regionalized service from the Bureau of Accounts.

FOCUS

A regular supplement to CITY & Town on topics of municipal finance.

* * * * *

Property Tax Base Growth FY83-FY87

Proposition 2 1/2 enables a community to increase its levy limit (the maximum amount a community can levy in a given year) by an amount based upon the valuation of certain new construction and other growth in the property tax base that is *not* the result of property revaluation. This provision recognizes that new development results in additional municipal costs. The construction of a number of new homes may result in increased school and public safety costs, for example, because of increased school enrollment and the need to provide police and fire protection to an expanded area.

Property tax base growth (often referred to as new growth) becomes part of the levy limit which increases at the rate of 2.5% each year. The reporting of growth provides a community with the opportunity to increase its levy limit, which can provide for added budget flexibility. Beginning with FY88, Boards of Assessors are required to report new growth as part of setting the tax rate.

The growth provision covers:

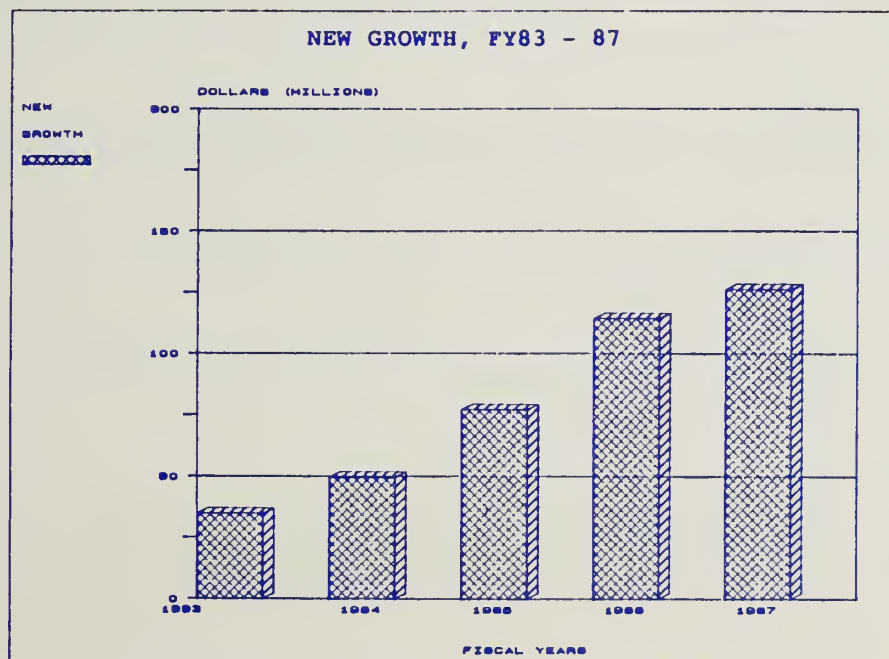
- new construction, additions, and alterations that

result in increases in assessed valuation of not less than 50% for Residential and Open Space property and increases in assessed valuation of not less than \$100,000 or 50% for Commercial, Industrial, and Personal Property.

- exempt property returned to the tax roll and net increases in valuation for subdivision parcels and condominium conversions.

New growth is calculated by multiplying the increases in the assessed valuation of the newly constructed or altered property, exempt property returned to the tax rolls, and subdivision parcels and condominium conversions by the prior year's tax rate for the appropriate class of property.

Beginning in 1986, the Department of Revenue enabled communities to take advantage of growth not reported for prior years through two rounds of retroactive growth certification. A total of 184 communities participated in this program, reporting 392 years of growth with a total assessed value of \$1.177 billion.



Findings

For the years FY83 to FY87, communities reported a total of **\$402 million** in certified new growth. Of the total statewide FY87 levy limit of **\$3.6 billion**, **\$416 million** or **11.5%** can be attributed to the cumulative impact of new growth. Statewide, the average impact of new growth on communities' FY87 levy limits is **11.5%**, with the smallest growth impact per community of **.21%** and the largest growth impact per community of **38.13%**. A total of four communities did not report or were unable to benefit from new growth through FY87.

These calculations were developed as follows: All certified new growth from FY83 to FY87 (excluding growth that would have brought a community's levy limit above 2.5% of its full and fair cash value levy ceiling) was factored up by 2.5% for each year. This figure was then divided by the FY87 levy limit (which includes the impact of overrides but not of debt exclusions).

The following graphs show total new growth statewide for the years FY83 to FY87; and the statewide impact of new growth for FY83 to FY87 in comparison to the statewide levy limit minus the impact of new growth for FY83 to FY87. The attached printout provides information by community on allowed growth for FY83 to FY87, the impact of this growth in FY87, the FY87 levy limit, and the percentage of the FY87 levy limit attributable to new growth.

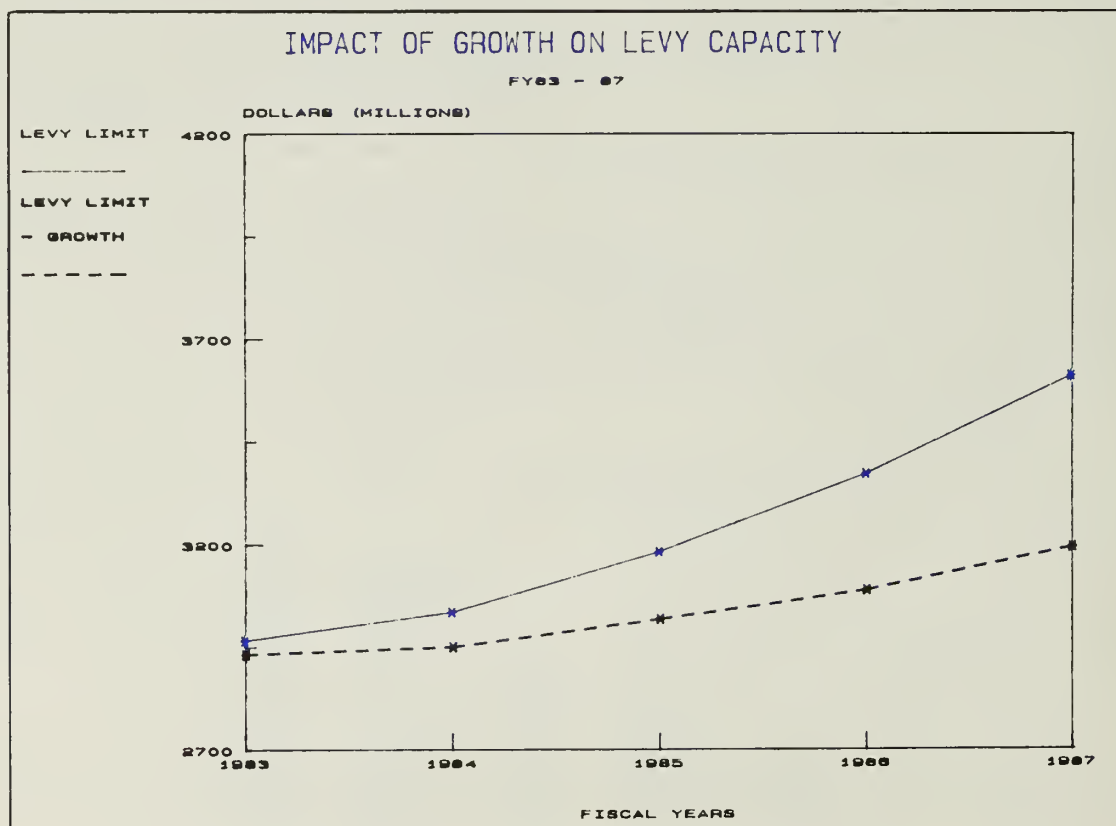
Resources

- For the Informational Guideline Release (IGR) that explains the procedures for certification of new growth, *IGR No. 87-404: Fiscal Year 1988 Guidelines for Adjustments to Tax Levy for Property Tax Base Growth*, contact:

Division of Local Services
P.O. Box 7015
Boston MA 02204
(617) 727-2300

- *Everything You Always Wanted To Know About Levy Limits...But Were Afraid To Ask: A Primer on Proposition 2 1/2* is designed to guide local officials through the mechanics of Proposition 2 1/2, focusing on those aspects of the law that cause the most confusion, for example: how new growth works, the ways in which Proposition 2 1/2 limits the property tax, and how an override differs from a debt or capital outlay expenditure exclusion. For a copy of this primer, contact:

Analysis Unit
Division of Local Services
P.O. Box 7015
Boston MA 02204
(617) 727-2300



FY83-87 Growth, Impact of FY87 Levy Limits

COMMUNITY	GROWTH FY83-FY87	FY87 IMPACT	FY87 LEVY LIMIT	GROWTH/ FY87 LIMIT	FY87 LEVY LIMIT	FY87 IMPACT	FY87 LEVY LIMIT	GROWTH/ FY87 LIMIT	FY87 LEVY LIMIT	FY87 IMPACT	FY87 LEVY LIMIT	GROWTH/ FY87 LIMIT
ABINGTON	512,515	579,686	6,261,347	8.46%	DEERFIELD	210,424	215,599	2,100,871	10.26%	LANCASTER	199,735	208,048
ACTON	1,676,335	1,755,731	15,382,069	11.41%	DENNIS	1,191,221	1,253,043	8,797,003	14.24%	LANESBOROUGH	83,272	84,482
ACUSHNET	275,408	285,904	3,279,838	8.72%	DIGHTON	77,190	77,385	2,935,692	2.60%	LAWRENCE	862,776	895,992
ADAMS	0	0	3,552,800	0.00%	DOUGLAS	252,175	265,083	1,943,203	13.64%	LEE	454,870	468,069
ALFORD	1,015,606	1,038,433	13,326,947	7.79%	DOVER	324,024	338,792	5,076,770	6.67%	LEICESTER	202,936	212,710
ALFORD	33,608	34,492	302,624	11.40%	DRACUT	1,826,246	1,901,052	11,483,395	16.55%	LENDX	303,578	320,072
AMESBURY	1,823,941	1,863,941	7,980,912	23.35%	DUDLEY	168,777	173,551	2,151,623	8.07%	LEMINSTER	1,379,309	1,397,039
ANDOVER	5,815,806	5,840,075	28,310,732	20.48%	DUNSTABLE	170,107	173,923	1,911,758	17.74%	LEVERETT	81,223	83,055
ANDOVER	1,052,027	1,108,664	31,497,744	3.52%	DUXBURY	2,725,013	2,837,425	14,137,457	20.77%	LEWISTON	4,342,333	4,503,570
ASHBURNHAM	1,517,721	1,600,374	21,187,702	7.33%	EAST BRIDGEWATER	402,515	415,534	5,345,600	7.77%	LYNN	29,080	31,008
ASHBY	54,388	55,598	1,130,794	4.92%	EAST BROOKFIELD	23,471	24,536	855,160	2.87%	LYNN	338,125	356,720
ASHFIELD	42,320	44,129	765,094	5.77%	EAST LONGMEADOW	520,685	531,379	8,674,341	6.13%	LITTLETON	979,065	1,011,624
ASHLAND	1,710,217	1,776,746	8,439,652	21.05%	EASTHAMPTON	435,212	456,776	3,725,993	12.26%	LONGMEADOW	545,715	563,327
ATHOL	384,139	392,832	1,595,062	15.97%	EASTON	1,843,922	1,901,706	5,583,884	6.55%	LOWELL	9,123,518	9,561,671
ATTLEBORO	591,154	592,832	1,756,330	3.94%	EDGEMONT	594,949	621,654	3,842,918	19.37%	LUDLOW	400,299	411,428
AUBURN	918,326	960,793	8,487,915	11.32%	EBREHET	59,521	62,868	898,205	16.18%	LUNENBURG	2,863,554	2,911,662
AUBURN	495,756	521,196	3,790,555	13.75%	ERVING	11,976	12,155	1,686,703	0.72%	LYNNFIELD	949,623	980,732
AYER	440,434	460,318	2,658,117	17.33%	ESSEX	90,485	94,885	1,802,407	5.26%	MALDEN	1,729,568	1,781,670
BARNSTABLE	6,379,683	6,698,473	30,398,028	22.40%	EVERETT	1,823,995	1,901,706	30,561,542	6.22%	MANCHESTER	1,395,161	1,450,116
BARRE	54,501	56,565	1,403,632	4.03%	FAIRHAVEN	943,434	981,370	8,323,376	11.79%	MANSFIELD	1,330,979	1,385,165
BECKET	102,278	105,744	995,977	10.62%	FALL RIVER	820,150	837,917	23,280,917	3.52%	MARLBOROUGH	1,551,994	1,601,710
BEDFORD	2,264,796	2,392,955	14,719,488	16.62%	FALMOUTH	3,874,891	3,972,881	22,925,439	16.90%	MARION	305,903	314,674
BELCHERTOWN	434,328	456,025	3,237,289	13.89%	FITCHBURG	518,970	522,384	13,963,125	3.74%	MARLBOROUGH	6,118,117	6,313,447
BELLINGHAM	579,704	586,025	5,889,391	9.96%	FLORHAM	74,179	81,579	707,997	11.52%	MARSHFIELD	623,184	623,184
BELMONT	256,706	270,050	22,486,203	1.21%	FOXBOROUGH	3,808,454	3,925,026	49,022,536	8.03%	MATTAPOISETT	2,541,428	2,641,698
BELMONT	174,090	178,547	1,188,530	15.02%	FRAMINGHAM	1,395,086	1,434,583	10,737,958	7.76%	MASHPEE	259,479	268,766
BERLIN	104,600	108,490	1,891,096	9.19%	FRANKLIN	54,914	56,287	4,174,002	13.36%	MAYNARD	901,276	925,282
BERNSTADT	94,533	100,604	681,096	11.92%	FREETOWN	231,795	235,131	6,821,367	1.35%	NEEDHAM	766,605	799,787
BEVERLY	2,106,499	2,185,245	25,797,666	8.47%	GRANCON	292,164	292,164	454,568	0.00%	NEEDHAM	1,521,057	1,541,982
BILLERICA	4,958,224	5,088,760	26,648,239	19.10%	BAY HEAD	0	0	3,052,010	0.00%	NEEDHAM	837,777	860,246
BLACKSTONE	273,689	275,408	2,634,202	6.86%	BILL	28,005	28,426	668,625	0.00%	MELROSE	354,777	365,990
BLANDFORD	36,205	37,660	549,270	15.02%	BLOOMSTER	1,652,552	1,706,900	21,683,230	7.87%	MERRIMAC	254,486	261,440
BOSTON	61,459,179	63,091,427	421,985,581	14.95%	BOSHEN	44,908	46,404	486,419	9.58%	METHUEN	3,369,200	3,505,712
BOXBOROUGH	636,759	662,511	8,771,305	9.15%	BOSNOLD	0	0	196,712	0.00%	MIDDLEBOROUGH	1,606,722	1,664,651
BOYLSTON	648,404	669,596	4,350,915	15.39%	BRANVILLE	135,512	142,964	5,825,669	16.44%	MIDDLEFIELD	13,763	14,263
BRAINTREE	252,628	263,727	2,124,956	12.41%	BRANVILLE	87,022	90,285	2,223,710	6.43%	MILFORD	552,253	569,485
BRAINTREE	663,171	712,076	25,378,170	2.81%	GREAT BARRINGTON	337,261	349,362	4,694,092	7.44%	MILFORD	1,538,951	1,565,879
BRIARCLIFF	1,707,588	1,772,255	5,854,607	30.27%	GREENFIELD	322,588	325,814	7,899,458	12.05%	MILFORD	526,143	537,243
BRIARCLIFF	657,634	660,510	7,211,116	9.44%	GREENFIELD	868,169	897,788	4,071,670	4.12%	MILLBURY	328,774	337,243
BROOKFIELD	59,274	61,355	1,263,590	4.86%	GROVELAND	184,298	190,778	2,415,042	22.05%	MILLS	712,205	734,132
BROOKFIELD	2,330,761	2,356,102	41,148,977	5.73%	HALEY	109,200	113,423	2,085,610	7.90%	MILTON	69,934	75,439
BROOKLINE	4,635,039	4,817,843	53,258,411	9.03%	HALIFAX	367,195	378,453	5,694,325	5.44%	MONROE	3,854	4,122
BUCKLAND	34,531	35,905	937,355	3.83%	HAMPTON	103,789	107,643	2,104,387	14.05%	MONROE	190,023	194,526
BURLINGTON	3,011,471	3,140,855	28,397,427	11.90%	HANCOCK	110,488	111,814	384,707	4.67%	MONTEAGUE	150,349	154,343
CAMBRIDGE	24,925,517	25,486,484	92,533,554	28.08%	HANDOVER	1,075,923	1,100,709	8,140,239	29.06%	MONTGOMERY	93,500	97,270
CANTON	3,489,345	3,680,585	14,821,922	24.83%	HANSON	227,519	229,744	3,971,969	13.52%	MOUNT WASHINGTON	64,823	67,031
CANTON	811,410	849,086	4,240,423	20.02%	HARWICK	59,004	61,873	853,535	5.78%	NAHANT	86,753	90,205
CARVER	465,012	474,312	3,998,205	11.86%	HARVARD	513,588	537,679	3,742,297	7.25%	NANTUCKET	1,617,759	1,695,050
CHARLESTON	25,791	26,897	618,922	4.33%	HARVARD	1,092,833	1,144,736	8,794,136	14.37%	NANTUCKET	2,791,193	2,912,665
CHARLTON	368,323	404,912	2,348,776	17.24%	HARTFIELD	1,092,539	1,114,114	1,498,756	13.02%	NEEDHAM	2,110,525	2,183,116
CHATHAM	679,490	708,825	5,945,711	11.92%	HARTFIELD	1,092,539	1,114,114	1,498,756	7.61%	NEEDHAM	3,520,929	3,608,952
CHATHAM	3,953,913	4,120,671	22,242,788	18.53%	HAWTHILL	3,513,724	3,570,811	22,871,427	15.61%	NEW BEDFORD	87,817	91,530
CHELSEA	774,178	781,370	10,352,408	7.52%	HEATH	7,625	8,040	192,094	4.19%	NEW BRATTLEBOROUGH	123,096	129,698
CHESTER	43,404	44,211	736,338	6.00%	HINGHAM	1,350,580	1,437,598	18,668,591	3.47%	NEW SALEM	14,643	15,407
CHESTERFIELD	33,113	34,807	575,172	4.48%	HINGHAM	20,226	21,240	787,864	7.69%	NEW SALEM	279,451	286,563
CHILMARK	20,945	21,156	1,024,104	6.05%	HOLBROOK	152,402	154,494	5,487,443	2.82%	NEWBURY	1,986,505	2,044,285
CHILMARK	14,999	15,715	571,243	2.97%	HOLLAND	51,929	54,714	7,657,725	2.82%	NEWBURYPORT	7,231,618	7,540,886
CLINTON	228,791	231,834	1,005,811	2.02%	HOLLISTON	1,005,811	1,046,370	8,597,153	5.21%	NEWTON	1,179,491	1,224,407
CLINTON	67,151	67,342	5,555,250	4.33%	HOLYOKE	938,370	943,111	13,409,937	12.17%	NORTH ADAMS	111,215	112,028
COLRAIN	27,372	28,904	804,804	8.91%	HOPKINS	1,292,957	1,343,170	5,809,501	2.41%	NORTH ANDOVER	2,098,443	2,160,528
CONCORD	1,646,185	1,703,137	19,386,981	3.58%	HOPKINTON	1,292,957	1,343,170	5,809,501	31.91%	NORTH ATTLEBOROUGH	2,062,845	2,136,427
CORNBURY	100,245	102,150	773,131	8.78%	HUBBARDSTON	90,964	92,430	972,017	23.12%	NORTH BROOKFIELD	61,041	64,302
CUMMINGTON	53,195	54,177	450,925	12.01%	HUDDON	1,806,573	1,866,573	10,389,200	31.91%	NORTH READING	1,150,855	1,186,330
DALTON	155,914	160,716	3,506,688	10.56%	HULL	736,136	751,444	6,731,763	9.57%	NORTH TOWN	1,050,228	1,104,577
DANVERS	1,984,830	2,086,466	19,762,501	10.56%	IPSWICH	48,292	51,444	728,389	11.19%	NORTHUEN	1,901,089	1,968,316
DARTMOUTH	1,274,228	1,328,410	12,258,752	10.75%	LAKEVILLE	474,786	477,352	4,737,888	5.97%	NORTHUEN	305,292	312,704
DEERHAM	1,192,090	1,259,658	17,534,869	7.18%	LAKEVILLE	533,355	536,241	3,121,057	10.68%	NORTHFIELD	464,774	474,854

FY83-87 Growth, Impact of Growth on FY87 Levy Limits

COMMUNITY	GROWTH/ FY83-FY87	FY87 IMPACT	FY87 LEVY LIMIT	GROWTH/ FY87 LIMIT	COMMUNITY	GROWTH/ FY83-FY87	FY87 IMPACT	FY87 LEVY LIMIT	GROWTH/ FY87 LIMIT	COMMUNITY	GROWTH/ FY83-FY87	FY87 IMPACT	FY87 LEVY LIMIT	GROWTH/ FY87 LIMIT	COMMUNITY	GROWTH/ FY83-FY87	FY87 IMPACT	FY87 LEVY LIMIT	GROWTH/ FY87 LIMIT	COMMUNITY	GROWTH/ FY83-FY87	FY87 IMPACT	FY87 LEVY LIMIT	GROWTH/ FY87 LIMIT
ANDERSON	1,603,862	1,651,270	19,512,712	8.46% STON	ANDERSON	1,603,862	1,651,270	19,512,712	8.46% STON	ANDERSON	1,603,862	1,651,270	19,512,712	8.46% STON	ANDERSON	1,603,862	1,651,270	19,512,712	8.46% STON	ANDERSON	1,603,862	1,651,270	19,512,712	8.46% STON
ANDERSON	338,057	355,352	2,985,371	11.90% STURBRIDGE	ANDERSON	338,057	355,352	2,985,371	11.90% STURBRIDGE	ANDERSON	338,057	355,352	2,985,371	11.90% STURBRIDGE	ANDERSON	338,057	355,352	2,985,371	11.90% STURBRIDGE	ANDERSON	338,057	355,352	2,985,371	11.90% STURBRIDGE
ANDERSON	79,978	81,860	576,589	14.20% SUDBURY	ANDERSON	79,978	81,860	576,589	14.20% SUDBURY	ANDERSON	79,978	81,860	576,589	14.20% SUDBURY	ANDERSON	79,978	81,860	576,589	14.20% SUDBURY	ANDERSON	79,978	81,860	576,589	14.20% SUDBURY
ANDERSON	95,795	98,287	2,089,863	4.70% SUNDERLAND	ANDERSON	95,795	98,287	2,089,863	4.70% SUNDERLAND	ANDERSON	95,795	98,287	2,089,863	4.70% SUNDERLAND	ANDERSON	95,795	98,287	2,089,863	4.70% SUNDERLAND	ANDERSON	95,795	98,287	2,089,863	4.70% SUNDERLAND
ANDERSON	787,214	825,403	5,066,298	16.29% SUTTON	ANDERSON	787,214	825,403	5,066,298	16.29% SUTTON	ANDERSON	787,214	825,403	5,066,298	16.29% SUTTON	ANDERSON	787,214	825,403	5,066,298	16.29% SUTTON	ANDERSON	787,214	825,403	5,066,298	16.29% SUTTON
ANDERSON	77,706	82,694	1,022,790	8.86% SWANSCOTT	ANDERSON	77,706	82,694	1,022,790	8.86% SWANSCOTT	ANDERSON	77,706	82,694	1,022,790	8.86% SWANSCOTT	ANDERSON	77,706	82,694	1,022,790	8.86% SWANSCOTT	ANDERSON	77,706	82,694	1,022,790	8.86% SWANSCOTT
ANDERSON	538,140	551,670	4,814,802	11.46% SWANSEA	ANDERSON	538,140	551,670	4,814,802	11.46% SWANSEA	ANDERSON	538,140	551,670	4,814,802	11.46% SWANSEA	ANDERSON	538,140	551,670	4,814,802	11.46% SWANSEA	ANDERSON	538,140	551,670	4,814,802	11.46% SWANSEA
ANDERSON	123,050	129,782	4,675,132	2.78% TAUNTON	ANDERSON	123,050	129,782	4,675,132	2.78% TAUNTON	ANDERSON	123,050	129,782	4,675,132	2.78% TAUNTON	ANDERSON	123,050	129,782	4,675,132	2.78% TAUNTON	ANDERSON	123,050	129,782	4,675,132	2.78% TAUNTON
ANDERSON	125,650	129,433	1,991,474	6.50% TEMPLETON	ANDERSON	125,650	129,433	1,991,474	6.50% TEMPLETON	ANDERSON	125,650	129,433	1,991,474	6.50% TEMPLETON	ANDERSON	125,650	129,433	1,991,474	6.50% TEMPLETON	ANDERSON	125,650	129,433	1,991,474	6.50% TEMPLETON
ANDERSON	3,744,423	3,856,643	30,244,271	12.75% TEWKSBURY	ANDERSON	3,744,423	3,856,643	30,244,271	12.75% TEWKSBURY	ANDERSON	3,744,423	3,856,643	30,244,271	12.75% TEWKSBURY	ANDERSON	3,744,423	3,856,643	30,244,271	12.75% TEWKSBURY	ANDERSON	3,744,423	3,856,643	30,244,271	12.75% TEWKSBURY
ANDERSON	46,174	47,077	713,024	6.60% TIBBURY	ANDERSON	46,174	47,077	713,024	6.60% TIBBURY	ANDERSON	46,174	47,077	713,024	6.60% TIBBURY	ANDERSON	46,174	47,077	713,024	6.60% TIBBURY	ANDERSON	46,174	47,077	713,024	6.60% TIBBURY
ANDERSON	995,610	1,023,088	8,247,618	12.40% TOLLAND	ANDERSON	995,610	1,023,088	8,247,618	12.40% TOLLAND	ANDERSON	995,610	1,023,088	8,247,618	12.40% TOLLAND	ANDERSON	995,610	1,023,088	8,247,618	12.40% TOLLAND	ANDERSON	995,610	1,023,088	8,247,618	12.40% TOLLAND
ANDERSON	640,901	646,222	4,296,315	15.04% TOPSFIELD	ANDERSON	640,901	646,222	4,296,315	15.04% TOPSFIELD	ANDERSON	640,901	646,222	4,296,315	15.04% TOPSFIELD	ANDERSON	640,901	646,222	4,296,315	15.04% TOPSFIELD	ANDERSON	640,901	646,222	4,296,315	15.04% TOPSFIELD
ANDERSON	24,154	24,888	674,029	0.00% TOWNSEND	ANDERSON	24,154	24,888	674,029	0.00% TOWNSEND	ANDERSON	24,154	24,888	674,029	0.00% TOWNSEND	ANDERSON	24,154	24,888	674,029	0.00% TOWNSEND	ANDERSON	24,154	24,888	674,029	0.00% TOWNSEND
ANDERSON	24,375	25,164	326,720	7.70% TOWNSEND	ANDERSON	24,375	25,164	326,720	7.70% TOWNSEND	ANDERSON	24,375	25,164	326,720	7.70% TOWNSEND	ANDERSON	24,375	25,164	326,720	7.70% TOWNSEND	ANDERSON	24,375	25,164	326,720	7.70% TOWNSEND
ANDERSON	769,160	769,160	22,449,528	3.40% TYRINGTON	ANDERSON	769,160	769,160	22,449,528	3.40% TYRINGTON	ANDERSON	769,160	769,160	22,449,528	3.40% TYRINGTON	ANDERSON	769,160	769,160	22,449,528	3.40% TYRINGTON	ANDERSON	769,160	769,160	22,449,528	3.40% TYRINGTON
ANDERSON	65,997	71,036	330,590	16.50% UPTON	ANDERSON	65,997	71,036	330,590	16.50% UPTON	ANDERSON	65,997	71,036	330,590	16.50% UPTON	ANDERSON	65,997	71,036	330,590	16.50% UPTON	ANDERSON	65,997	71,036	330,590	16.50% UPTON
ANDERSON	357,312	371,195	3,380,211	10.37% UXBIDGE	ANDERSON	357,312	371,195	3,380,211	10.37% UXBIDGE	ANDERSON	357,312	371,195	3,380,211	10.37% UXBIDGE	ANDERSON	357,312	371,195	3,380,211	10.37% UXBIDGE	ANDERSON	357,312	371,195	3,380,211	10.37% UXBIDGE
ANDERSON	5,879,738	6,107,651	32,765,424	18.53% WAKEFIELD	ANDERSON	5,879,738	6,107,651	32,765,424	18.53% WAKEFIELD	ANDERSON	5,879,738	6,107,651	32,765,424	18.53% WAKEFIELD	ANDERSON	5,879,738	6,107,651	32,765,424	18.53% WAKEFIELD	ANDERSON	5,879,738	6,107,651	32,765,424	18.53% WAKEFIELD
ANDERSON	186,340	191,002	1,464,516	13.04% WALES	ANDERSON	186,340	191,002	1,464,516	13.04% WALES	ANDERSON	186,340	191,002	1,464,516	13.04% WALES	ANDERSON	186,340	191,002	1,464,516	13.04% WALES	ANDERSON	186,340	191,002	1,464,516	13.04% WALES
ANDERSON	194,740	200,703	1,697,523	11.82% WALPOLE	ANDERSON	194,740	200,703	1,697,523	11.82% WALPOLE	ANDERSON	194,740	200,703	1,697,523	11.82% WALPOLE	ANDERSON	194,740	200,703	1,697,523	11.82% WALPOLE	ANDERSON	194,740	200,703	1,697,523	11.82% WALPOLE
ANDERSON	1,036,639	1,102,177	5,516,493	19.98% WALTHAM	ANDERSON	1,036,639	1,102,177	5,516,493	19.98% WALTHAM	ANDERSON	1,036,639	1,102,177	5,516,493	19.98% WALTHAM	ANDERSON	1,036,639	1,102,177	5,516,493	19.98% WALTHAM	ANDERSON	1,036,639	1,102,177	5,516,493	19.98% WALTHAM
ANDERSON	4,210,201	4,245,283	53,715,589	7.94% WARE	ANDERSON	4,210,201	4,245,283	53,715,589	7.94% WARE	ANDERSON	4,210,201	4,245,283	53,715,589	7.94% WARE	ANDERSON	4,210,201	4,245,283	53,715,589	7.94% WARE	ANDERSON	4,210,201	4,245,283	53,715,589	7.94% WARE
ANDERSON	1,426,482	1,458,621	17,011,767	8.36% WAREHAM	ANDERSON	1,426,482	1,458,621	17,011,767	8.36% WAREHAM	ANDERSON	1,426,482	1,458,621	17,011,767	8.36% WAREHAM	ANDERSON	1,426,482	1,458,621	17,011,767	8.36% WAREHAM	ANDERSON	1,426,482	1,458,621	17,011,767	8.36% WAREHAM
ANDERSON	501,159	517,956	4,788,120	10.82% WARREN	ANDERSON	501,159	517,956	4,788,120	10.82% WARREN	ANDERSON	501,159	517,956	4,788,120	10.82% WARREN	ANDERSON	501,159	517,956	4,788,120	10.82% WARREN	ANDERSON	501,159	517,956	4,788,120	10.82% WARREN
ANDERSON	1,014,041	1,049,417	16,488,039	6.36% WARWICK	ANDERSON	1,014,041	1,049,417	16,488,039	6.36% WARWICK	ANDERSON	1,014,041	1,049,417	16,488,039	6.36% WARWICK	ANDERSON	1,014,041	1,049,417	16,488,039	6.36% WARWICK	ANDERSON	1,014,041	1,049,417	16,488,039	6.36% WARWICK
ANDERSON	525,368	546,594	4,533,892	12.06% WASHINGTON	ANDERSON	525,368	546,594	4,533,892	12.06% WASHINGTON	ANDERSON	525,368	546,594	4,533,892	12.06% WASHINGTON	ANDERSON	525,368	546,594	4,533,892	12.06% WASHINGTON	ANDERSON	525,368	546,594	4,533,892	12.06% WASHINGTON
ANDERSON	1,518,140	1,530,009	22,841,791	6.70% WATERLOO	ANDERSON	1,518,140	1,530,009	22,841,791	6.70% WATERLOO	ANDERSON	1,518,140	1,530,009	22,841,791	6.70% WATERLOO	ANDERSON	1,518,140	1,530,009	22,841,791	6.70% WATERLOO	ANDERSON	1,518,140	1,530,009	22,841,791	6.70% WATERLOO
ANDERSON	78,017	81,794	1,017,029	8.04% WAYLAND	ANDERSON	78,017	81,794	1,017,029	8.04% WAYLAND	ANDERSON	78,017	81,794	1,017,029	8.04% WAYLAND	ANDERSON	78,017	81,794	1,017,029	8.04% WAYLAND	ANDERSON	78,017	81,794	1,017,029	8.04% WAYLAND
ANDERSON	245,824	253,420	1,992,219	12.72% WEBSTER	ANDERSON	245,824	253,420	1,992,219	12.72% WEBSTER	ANDERSON	245,824	253,420	1,992,219	12.72% WEBSTER	ANDERSON	245,824	253,420	1,992,219	12.72% WEBSTER	ANDERSON	245,824	253,420	1,992,219	12.72% WEBSTER
ANDERSON	647,317	660,056	6,885,130	9.61% WELLESLEY	ANDERSON	647,317	660,056	6,885,130	9.61% WELLESLEY	ANDERSON	647,317	660,056	6,885,130	9.61% WELLESLEY	ANDERSON	647,317	660,056	6,885,130	9.61% WELLESLEY	ANDERSON	647,317	660,056	6,885,130	9.61% WELLESLEY
ANDERSON	248,320	257,972	5,199,241	4.96% WELFLEET	ANDERSON	248,320	257,972	5,199,241	4.96% WELFLEET	ANDERSON	248,320	257,972	5,199,241	4.96% WELFLEET	ANDERSON	248,320	257,972	5,199,241	4.96% WELFLEET	ANDERSON	248,320	257,972	5,199,241	4.96% WELFLEET
ANDERSON	2,744	2,916	1,361,529	0.21% WENDELL	ANDERSON	2,744	2,916	1,361,529	0.21% WENDELL	ANDERSON	2,744	2,916	1,361,529	0.21% WENDELL	ANDERSON	2,744	2,916	1,361,529	0.21% WENDELL	ANDERSON	2,744	2,916	1,361,529	0.21% WENDELL
ANDERSON	246,645	256,443	2,320,531	11.05% WENHAM	ANDERSON	246,645	256,443	2,320,531	11.05% WENHAM	ANDERSON	246,645	256,443	2,320,531	11.05% WENHAM	ANDERSON	246,645	256,443	2,320,531	11.05% WENHAM	ANDERSON	246,645	256,443	2,320,531	11.05% WENHAM
ANDERSON	65,790	70,999	378,703	18.75% WEST ROYLSTON	ANDERSON	65,790	70,999	378,703	18.75% WEST ROYLSTON	ANDERSON	65,790	70,999	378,703	18.75% WEST ROYLSTON	ANDERSON	65,790	70,999	378,703	18.75% WEST ROYLSTON	ANDERSON	65,790	70,999	378,703	18.75% WEST ROYLSTON
ANDERSON	28,783	30,351	768,777	3.95% WEST BRIDGEWATER	ANDERSON	28,783	30,351	768,777	3.95% WEST BRIDGEWATER	ANDERSON	28,783	30,351	768,777	3.95% WEST BRIDGEWATER	ANDERSON	28,783	30,351	768,777	3.95% WEST BRIDGEWATER	ANDERSON	28,783	30,351	768,777	3.95% WEST BRIDGEWATER
ANDERSON	171,869	176,953	1,740,617	10.17% WEST BROOKFIELD	ANDERSON	171,869	176,953	1,740,617	10.17% WEST BROOKFIELD	ANDERSON	171,869	176,953	1,740,617	10.17% WEST BROOKFIELD	ANDERSON	171,869	176,953	1,740,617	10.17% WEST BROOKFIELD	ANDERSON	171,869	176,953	1,740,617	10.17% WEST BROOKFIELD
ANDERSON	2,787,219	2,981,347	25,374,388	11.75% WEST NEWRY	ANDERSON	2,787,219	2,981,347	25,374,388	11.75% WEST NEWRY	ANDERSON	2,787,219	2,981,347	25,374,388	11.75% WEST NEWRY	ANDERSON	2,787,219	2,981,347	25,374,388	11.75% WEST NEWRY	ANDERSON	2,787,219	2,981,347	25,374,388	11.75% WEST NEWRY
ANDERSON	265,567	279,451	3,605,983	7.75% WEST SPRINGFIELD	ANDERSON	265,567	279,451	3,605,983	7.75% WEST SPRINGFIELD	ANDERSON	265,567	279,451	3,605,983	7.75% WEST SPRINGFIELD	ANDERSON	265,567	279,451	3,605,983	7.75% WEST SPRINGFIELD	ANDERSON	265,567	279,451	3,605,983	7.75% WEST SPRINGFIELD
ANDERSON	155,050	168,009	689,318	24.37% WEST STOCKBRIDGE	ANDERSON	155,050	168,009	689,318	24.37% WEST STOCKBRIDGE	ANDERSON	155,050	168,009	689,318	24.37% WEST STOCKBRIDGE	ANDERSON	155,050	168,009	689,318	24					



FEBRUARY 23 - Course 101: Assessment Administration, Law, Procedures, Valuation. Canton High School cafeteria. Beginning February 23. Tuesday evenings. 7-10 p.m.

MARCH 10 - Frost Building, Holyoke Community College. Beginning March 10. Thursday evenings. 7-10 p.m.

MARCH - The Division of Local Services' Course 201: The Collection of Taxes will be offered in southeastern Massachusetts one day a week for three weeks.

APRIL 5 - Course 100: Assessment Office Procedures. Massachusetts Maritime Academy library in Bourne. Beginning April 5, Tuesday mornings. 9 a.m. - noon.

APRIL - A new Local Services course for Treasurers will be offered for the first time in Berkshire County during the month of April.

MAY 13 - What's New in Municipal Law. A full-day program to bring local officials up to date on recent changes in the law. Marriott in Newton.

APRIL/MAY - A one-day program for new town accountants and city auditors will be offered in southeastern Massachusetts in late April or early May.

For more information on and registration for these courses, contact Jean McCarthy, Training Coordinator, Division of Local Services. (617) 727-2458.

* * * * *

NOTICE TO ASSESSORS: The revised and updated Assessor's Manual will be sent to each city and town in April. The updated manual now contains an index and a simplified numbering system. In addition, the text has been placed on a word processor in order to make future revisions easier and more timely.

Municipal By-Laws/Attorney General Approval

The standard of review by the Attorney General for local by-laws was the subject of a relatively recent court decision in *Town of Amherst v. Attorney General*, 398 Mass. 793, 502 N.E.2d 128 (1986).

At an October 21, 1981, special town meeting, the town of Amherst adopted a by-law which generally prohibited the discharge of certain firearms. Pursuant to G.L. Chapter 40, Section 32, the town clerk sent a copy of the by-law to the Attorney General for approval. On February 12, 1982, the Attorney General disapproved the by-law and explained in his letter that the proposed by-law would bar any person from exercising a State hunting license and would deprive the Commonwealth of control over hunting. He further stated that in rural communities like Amherst, where hunting is a tradition, serious justification for firearms discharge restrictions would have to be shown.

The town appealed the disapproval of the by-law to the Supreme Judicial Court. The Court upheld the town's position.

The court ruled that the Attorney General may disapprove a by-law only if it violates State substan-

tive or procedural law. There was a legal presumption in favor of the validity of local by-laws. Municipalities under the State Constitution and G.L. Chapter 40, Section 21 are empowered to pass by-laws to preserve peace and order. Any local action, however, inconsistent with the State Constitution or statute must be disapproved by the Attorney General.

In this instance, the Attorney General argued that Amherst's by-law was inconsistent and preempted by G.L. Chapter 131. This State statute has provisions for hunting, licensing, and preserving and maintaining wildlife. No section of Chapter 131, however, concerned the subject of this by-law, a prohibition of the use of firearms. Furthermore, the Attorney General's distinction between urban and rural communities could not be found in Chapter 131. In the Court's view, there was no clear legislative intent to preclude local action.

As a rule, a town exceeds its authority only when it enacts a by-law clearly inconsistent with the Constitution or state statute.

1988 Officers of the Association of Town Finance Committees

The officers for the Association of Town Finance Committees for 1988 are: Edward H. Dlott, President; Samuel D. Streiff, First Vice President; Donna Angevine, Second Vice President; Stuart DeBard, Executive Secretary and Treasurer; Anthony Belcher, Director; Robert E. Acheson, Director; Philip Buchek, Director; Patricia N. Leiby,

Past President; and Michael D. Altfillisch, Immediate Past President. For the Western Division: Joseph H. Engwer, President; Richard G. Braney, Vice President; and Kendrick Barnes, Secretary. The Division of Local Services looks forward to working with these officers.

Mailing Notice

An MDM/TAB "study" has shown that correspondence from local governments to the Division of Local Services travels faster if "200 Portland Street" is deleted from the mailing address. To ensure the prompt delivery of your letters, please address all correspondence to: Division of Local Services, P.O. Box 7015, Boston, MA 02204.

* * * * *

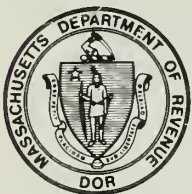
CITY & Town, a publication of the Massachusetts Department of Revenue's Division of Local Services, is published 11 times per year. The Division is responsible for the oversight and assistance to cities and towns in achieving equitable property taxation and efficient fiscal management.

(617) 727-2300

Editor: Sandra (Sam) Clutter

CITY & Town

Division of Local Services
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A monthly publication of the Massachusetts Department of Revenue's
Division of Local Services

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Deputy Commissioner

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Local Profile

**Edward Moscovitch, Executive Director,
Massachusetts Municipal Association**

Edward Moscovitch was named Executive Director of the Massachusetts Municipal Association in October 1987. As MMA's Executive Director, Mr. Moscovitch serves as spokesman for cities and towns before the legislature, state agencies, and the federal government. The MMA plays an active role in working with state and federal agencies on laws and regulations that affect local governments. It represents 349 of the 351 cities and towns in Massachusetts.

According to Mr. Moscovitch, "Cities and towns provide essential public services... education, police, roads, and fire protection. They need adequate resources and the role of the MMA is to assist them, through activities at the state level and through self-help programs." Significant issues on the MMA's agenda include the fiscal relationship between the state and Massachusetts cities and towns and the need for municipal self-help programs. The MMA also needs to "understand a set of issues and solutions to issues," that impact upon local governments including rising health care regulations, and the administration of programs for low-income people and the homeless, according to Mr. Moscovitch.

Mr. Moscovitch says that his role as Finance Committee Chairman in his hometown of Wenham provides him with "a worm's eye view" of local government, a perspective that helps him to effectively represent all cities and towns.

As MMA's Executive Director, Mr. Moscovitch will direct the activities of the MMA Consulting Group, which performs management consulting for municipalities on a fee-for-service basis. He will also oversee the Massachusetts Interlocal Insurance Association, a separate insurance pool created by the MMA to help municipalities control insurance costs.

Prior to becoming Executive Director of the MMA, Mr. Moscovitch served the Boston-based consulting firm of Charles River Associates as Vice President and Director of Regional Economics. He was also Assistant Professor of Economics at Williams College, an economist for the Federal Reserve Bank, Budget Director for the Commonwealth of Massachusetts, and Vice President of Data Resources Inc. (DRI), a consulting firm in Lexington.

Since 1982, his twice monthly op-ed columns have appeared in the Boston Globe. Mr. Moscovitch holds a Ph.D in Economics from MIT.

Municipal Fiscal Calendar

APRIL 1 - Department of Revenue; Forwards a list of corporations that are liable to taxation under Chs. 59, 60A, and 63.

APRIL 1 - Assessors; Forms of List and Forms 3 ABC are due in assessors offices.

APRIL - JUNE - Department of Revenue; Performs quality reviews of audits performed by independent accounting firms.

The Division of Local Services' 1988 legislative package consists of 14 bills of interest to local officials. Three of these bills (H. 249, H. 250 and H. 252) have been referred to the Local Affairs Committee, while the remainder have been referred to the Taxation Committee. The following is a brief summary of each bill. Copies of these bills can be obtained from the Legislative Document Room in Room 428 at the State House. Summaries of all Department of Revenue bills are printed as House Bill No. 244. Should you need additional information about any of these bills, please feel free to contact the Division's legislative liaison, Julie Johnson, at (617) 727-4231.

H. 245 makes several corrective changes including removing obsolete definitions of population and eliminating the annual printing of the corporation book.

H. 248 would allow municipalities to charge interest on local charges and bills, while **H. 249** would make corrective changes to the enterprise fund statute, Chapter 306 of 1986.

H. 250 would allow cities to issue State House notes and would eliminate the need for the director of accounts to approve payment of small judgments from available funds.

H. 251 would make clarifying amendments to two special funds: the law enforcement trust fund and the special work detail fund, while **H. 252** would allow compensating balance agreements to be for periods of up to three years, and would require counties to be subject to the compensating balance law.

H. 253 would make corrective changes to local property tax exemptions, most of which became law in C. 58 of the Acts of 1987; however, this bill would also recodify the paraplegic veterans' exemptions and make amendments to Clause 50 of S. 5 of Ch. 59, the exemption for improvements to provide elderly housing (C. 200 of 1986).

H. 254 makes several changes in local assessing practices, including allowing assessors to make omitted and revised assessments without prior DOR approval and eliminating the requirement that assessors submit exemption Forms 3ABC to the Department.

H. 255, **H. 257** and **H. 260** have all become law. **H. 255** was enacted as Chapters 483 and 518 of the Acts of 1987: Chapter 483 is intended to improve the certification process of utility valuation, while Chapter 518 removes the Commissioner from administering certain in-lieu tax payment programs. The substance of **H. 257** was enacted in Chapter 737, which requires that most local aid distributions be made on a quarterly basis. **H. 260** is now Chapter 463, which is the ten-year authorization for cities and towns to issue preliminary tax payments.

H. 256 would make clarifying amendments to the law concerning local tax bills and abatements, while **H. 258** would expand the definition of "new growth" under Proposition 2 1/2 and would require new growth to be reported annually to the Department.

H. 259 would clarify the definition and timing of the update to available funds ("free cash"); another section of the bill concerning overlay surplus was enacted in Chapter of the Acts of 1987.

H. 261 is intended to improve the collection of local taxes by allowing collectors to use collection agencies, by clarifying the duties of deputy collectors and by eliminating the Department's approval of deputy appointments.

H. 262 would give municipal collectors 20 days instead of 10 days to prepare municipal lien certificates and make other clarifying amendments to this law.

H. 263 would make corrective changes to the taxation of land classified as agricultural or horticultural and recreational.

FOCUS

A regular supplement to CITY & Town on topics of municipal finance.

★ ★ ★ ★ ★ ★ ★

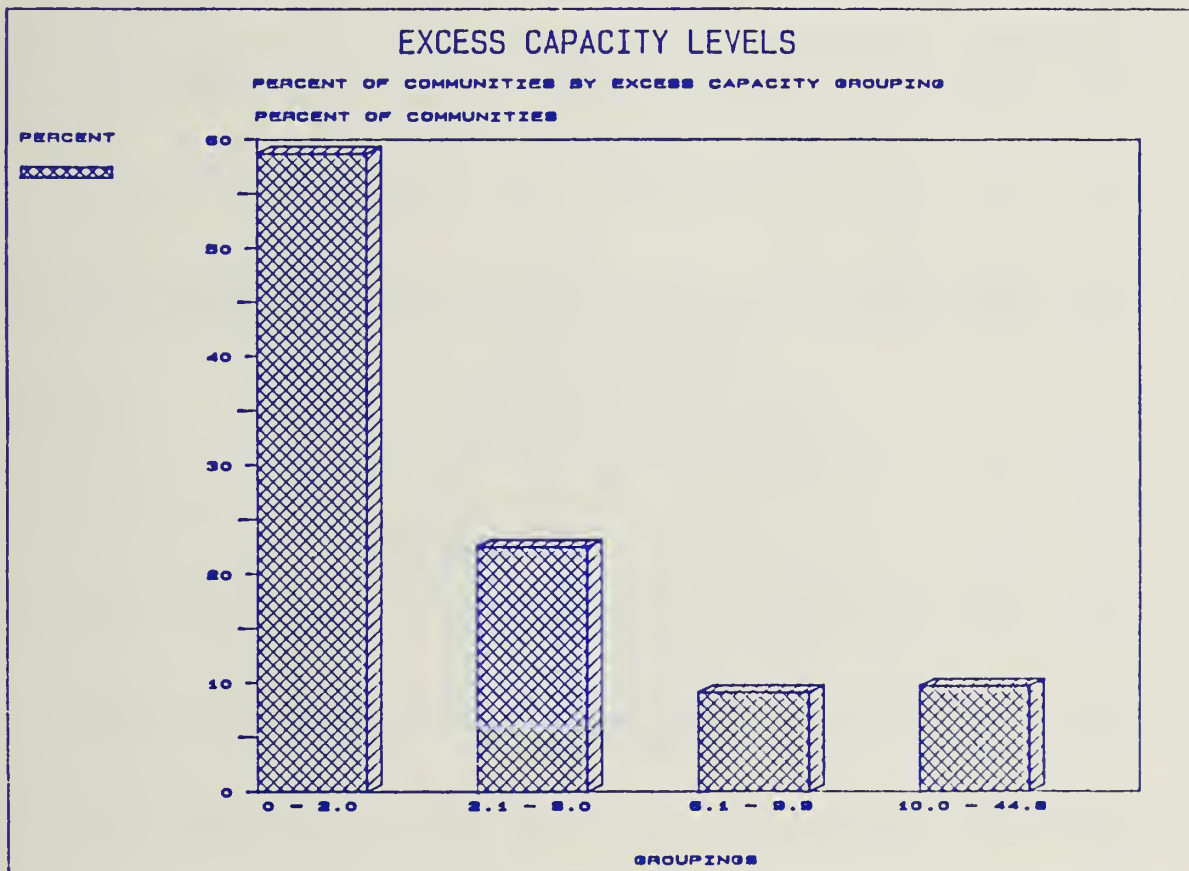
EXCESS LEVY CAPACITY

As communities approach budget season, local officials should be aware of an indicator of potential budget flexibility — excess levy capacity. Excess levy capacity represents the additional property tax revenue that a community could have raised in a given year under Proposition 2 1/2 without going to voters for an override, debt exclusion, or capital outlay expenditure exclusion.

For any fiscal year, a community may choose to set its levy at any amount equal to or below its levy limit (allowed levy capacity for that year). When a community sets its levy below the levy limit, the difference between the levy and the levy limit is referred to as excess levy capacity. Excess levy

capacity is defined as the difference between a community's levy limit as established by Proposition 2 1/2 and its actual levy in the most recent year for which the community has set a tax rate. It is important for local officials to be aware that their community can tax up to its full levy limit each year, regardless of whether or not it had excess levy capacity in the previous year.

This edition of *CITY & Town FOCUS* is designed to inform local officials as to whether their communities had excess levy capacity in the most recent year for which their community had set a tax rate and the amount of this excess levy capacity.



FINDINGS

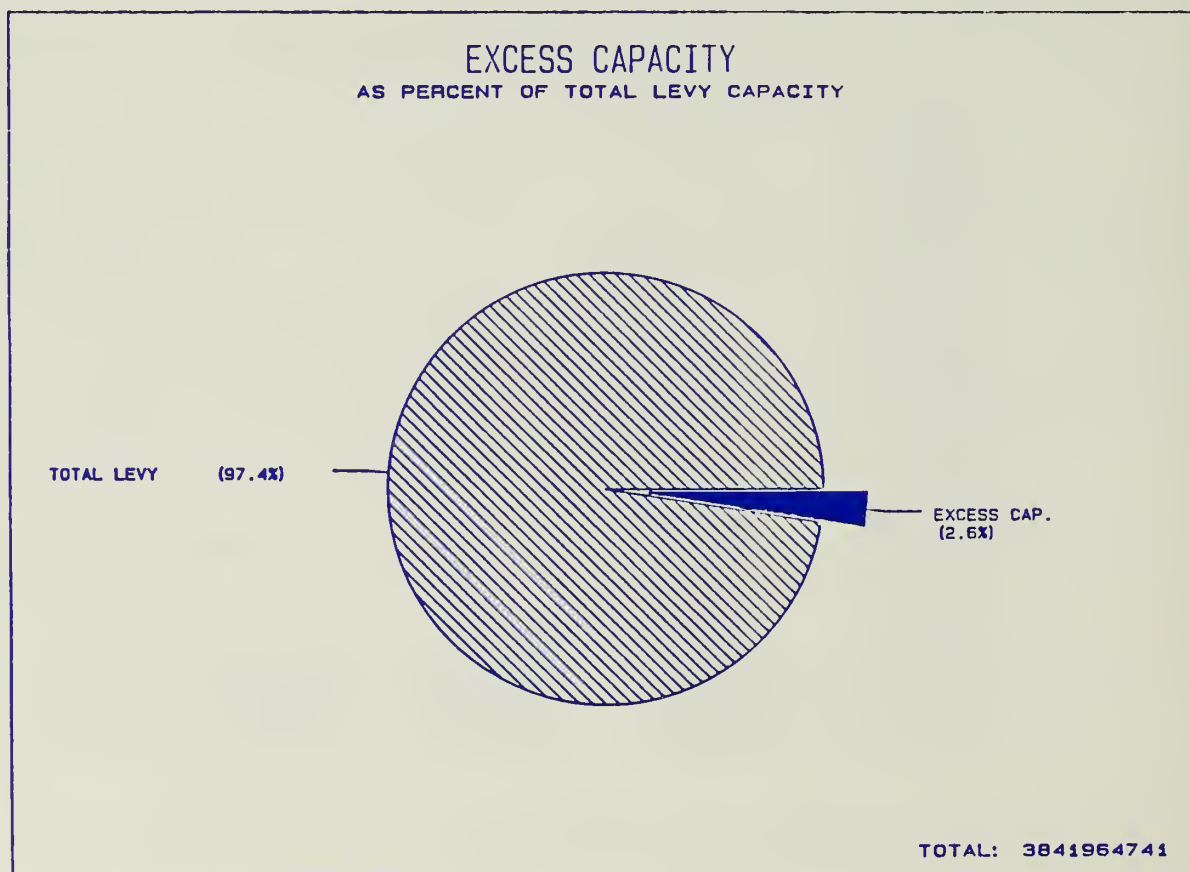
In setting their most recent tax rates, Massachusetts communities statewide levied a total of \$100 million below their total levy limits. This \$100 million of excess levy capacity represents 2.6% of the communities' total statewide levy limit. Statewide, average excess levy capacity is 2.6% with the smallest percentage of excess levy capacity per community of 0% (or a negligible percent) and the largest percentage of excess levy capacity reported at 44.8%.

These calculations were developed as follows: The most recent levies and levy limits of communities were used. This report indicates which fiscal year was used for each community. Levy limits include the impact of overrides and any allowable certified new growth. Levy limits are also adjusted to include all amounts for debt and capital outlay expenditure exclusions. (Note: to use the levy capacity created by a debt exclusion vote, a community must issue the debt corresponding to that vote.) Excess levy capacity was calculated by subtracting the most recent fiscal year's tax levy from the levy limit for

that year. This figure was then divided by the levy limit to arrive at excess levy capacity as a percentage of total levy capacity, giving the relative magnitude of each community's excess capacity.

The first graph illustrates the excess capacity levels of communities, broken down by the percent of communities by excess capacity grouping as follows: 0 to 2%; 2.1% to 6%; 6.1% to 9.9%; and 10% to 44.8%. The second graph shows excess levy capacity statewide as a percent of total statewide levy capacity. The attached printout provides information by community on the most recent levy, levy limit, excess levy capacity, and excess levy capacity as a percentage of the levy limit.

CITY & Town FOCUS is jointly developed by the Analysis Unit and the Municipal Data Bank of the Division of Local Services. This issue of *CITY & Town* was prepared by Julie Slavet and Leslie Kirwan of the Analysis Unit and John Sanguinet and Roger Hatch of the Municipal Data Bank. For more information, call the Analysis Unit at 727-2300 or the Municipal Data Bank at 727-9260.



EXCESS LEVY CAPACITY

MUNICIPALITY	LEVY LIMIT	TAX LEVY	EXCESS LEVY CAPACITY	EXCESS LEVY CAP.	MUNICIPALITY	LEVY LIMIT	TAX LEVY	EXCESS LEVY CAPACITY	EXCESS LEVY CAP.	MUNICIPALITY	LEVY LIMIT	TAX LEVY	EXCESS LEVY CAPACITY	EXCESS LEVY CAP.	
ABINGTON	FY87	6,782,387	190,512	2.81	CHICOPEE	FY88	24,568,004	23,392,110	1,175,894	4.81	HANCOCK	FY88	421,626	415,752	1.41
ACTON	FY88	17,444,841	37,706	0.21	CHILMARK	FY87	1,024,104	1,021,739	2,365	0.21	HANOVER	FY88	8,588,378	8,577,316	0.11
ACUSHNET	FY88	3,479,228	48,761	1.41	CLARKSBURG	FY87	5,711,243	5,711,243	212,885	37.31	HANSON	FY88	4,249,858	4,249,858	0.11
ADAMS	FY87	3,352,800	366,660	10.31	CLINTON	FY88	5,684,325	5,164,358	519,913	9.11	HARDWICK	FY88	9,721,290	7,671,224	155,166
ANDOVER	FY87	13,326,947	174,415	1.31	COHASSET	FY88	7,430,415	7,426,389	4,026	0.11	HARVARD	FY88	3,917,860	3,606,846	311,016
ANDOVER	FY88	357,860	324,733	9.31	COLRAIN	FY88	849,595	775,081	74,514	8.81	HARVICH	FY88	10,345,257	9,876,942	448,315
ANDOVER	FY88	8,459,875	8,459,875	0.11	CONCORD	FY88	20,392,707	18,392,725	1,999,582	9.81	HATFIELD	FY88	1,613,263	1,613,263	0.21
ANDOVER	FY88	10,744,548	846,225	8.11	CORNBURY	FY88	830,529	822,307	8,222	1.01	HAVERHILL	FY88	24,618,074	24,618,074	1.41
ANDOVER	FY87	28,510,732	18,586	0.11	CUMMINGTON	FY88	545,861	479,727	86,134	15.21	HAVERHILL	FY88	207,052	204,482	0.21
ANDOVER	FY88	32,428,018	7,481	0.11	DALTON	FY88	3,699,791	3,196,110	503,681	13.61	HEATH	FY87	404,629	372,122	3.11
ASHBOROUGH	FY87	2,362,648	126,052	5.31	DANVERS	FY88	20,871,511	19,982,071	889,440	4.31	HINGHAM	FY88	19,749,183	19,319,687	429,496
ASHLEY	FY88	1,197,019	50,689	4.21	DARTMOUTH	FY88	13,219,170	13,219,200	4,970	0.11	HINGSBROOK	FY87	797,844	763,772	4.31
ASHFIELD	FY88	8,782,939	814,152	1.11	DEERFIELD	FY88	17,850,746	17,850,522	309,972	1.71	HOLBROOK	FY88	6,523,330	6,519,710	0.11
ASHLAND	FY88	9,938,816	156,804	1.61	DEERFIELD	FY87	2,100,871	1,971,522	129,349	6.21	HOLDEN	FY88	8,182,848	8,019,455	163,414
ATHOL	FY88	3,063,625	2,075,813	32.31	DENNIS	FY88	9,450,829	9,378,844	71,983	0.81	HOLLAND	FY88	1,155,147	1,154,643	0.11
ATTLEBORO	FY88	17,652,834	17,652,834	0.11	DIGHTON	FY88	3,081,979	3,080,904	1,075	0.11	HOLLISTON	FY88	9,559,615	9,557,396	2,219
AUBURN	FY88	9,012,961	1,979	0.11	DOUGLAS	FY88	2,350,656	2,348,216	2,440	0.11	HOLYOKE	FY87	13,409,937	13,400,718	9,219
AVON	FY88	4,658,958	4,658,945	175,013	DOVER	FY88	5,788,279	5,785,203	3,076	0.11	HOPEDALE	FY87	2,955,283	2,735,443	219,840
AYER	FY87	2,994,832	422,799	14.11	DRACUT	FY88	12,751,762	12,090,172	661,590	5.21	HOPKINTON	FY88	6,816,387	6,815,915	472
BARRE	FY88	34,889,481	506,847	1.51	DUDLEY	FY87	2,151,623	2,030,629	120,994	5.61	HUBBARDSTON	FY88	1,127,631	1,124,039	3,392
BARRE	FY88	1,725,070	1,501,740	12.91	DUNSTABLE	FY88	1,065,678	1,054,141	11,537	1.11	HUDDON	FY88	10,978,748	10,974,203	4,545
BECKET	FY88	1,111,063	1,096,274	1.31	DUXBURY	FY88	5,479,630	5,477,376	2,234	0.11	HULL	FY88	7,499,236	7,494,610	4,626
BELCHERTOWN	FY87	16,556,642	16,550,709	5,933	E BRIDGEWATER	FY88	5,757,240	5,754,171	3,069	0.11	HUNTINGTON	FY88	896,872	877,469	19,003
BELLINGHAM	FY88	3,545,403	3,543,890	7.91	E BRIDGEWATER	FY88	911,540	896,834	14,706	23.61	IPSWICH	FY88	7,827,051	7,535,987	291,064
BELLINGHAM	FY88	6,320,028	6,319,895	1.33	E LONGMEADOW	FY88	9,143,522	8,928,678	215,844	2.31	KINGSTON	FY88	3,602,189	3,465,695	196,494
BELMONT	FY88	23,690,954	306,086	1.31	EASTHAM	FY88	4,441,121	4,410,372	30,749	0.71	LAKESIDE	FY88	3,571,229	3,564,492	4,737
BERKLEY	FY88	1,356,025	1,321,119	34,906	EASTHAMPTON	FY88	5,812,391	5,811,111	1,280	0.11	LAKELAND	FY88	2,853,652	2,732,593	121,059
BERLIN	FY88	1,298,906	1,297,979	2,927	EBEN	FY88	11,330,890	11,165,128	165,762	1.51	LAKESBOROUGH	FY88	1,729,545	1,649,458	59,996
BERNSTADT	FY88	943,254	13,459	1.41	EDGEMONT	FY88	5,098,403	4,813,458	284,945	5.61	LAWRENCE	FY87	19,288,545	19,284,878	1,687
BEVERLY	FY88	27,157,475	57,018	0.21	EGREMONT	FY88	974,374	959,171	15,203	1.61	LEE	FY88	3,466,889	3,144,889	459,970
BILLERICA	FY88	29,445,663	6,817	0.11	ERVEN	FY88	1,742,691	1,643,572	99,119	5.71	LEICESTER	FY88	3,100,581	3,088,331	12,250
BLACKSTONE	FY88	3,059,803	365,487	11.91	EVERETT	FY88	1,978,402	1,972,797	5,605	0.31	LENDI	FY88	4,226,398	4,226,398	4,221
BLANDFORD	FY88	626,701	625,968	0.11	FAIRHAVEN	FY88	30,581,542	29,213,804	1,367,738	4.41	LENDI	FY88	19,357,535	15,985,512	3,372,023
BOLTON	FY88	2,433,951	19,280	0.81	FALL RIVER	FY88	8,774,339	8,379,639	394,700	4.51	LEVERETT	FY88	922,906	896,294	26,612
BOSTON	FY88	452,057,527	184,211	0.11	FALMOUTH	FY88	25,117,768	24,028,107	1,089,661	4.31	LEWISTON	FY88	35,276,782	34,836,855	439,927
BOULDER	FY87	8,771,353	8,572	0.11	FITCHBURG	FY87	24,874,982	24,491,624	383,358	1.51	LEYDEN	FY88	383,346	377,849	5,497
BOULDER	FY88	2,941,459	2,699,505	8.21	FLORIDA	FY88	14,684,037	14,680,606	3,431	0.11	LINCOLN	FY88	6,043,725	6,033,419	10,306
BOYLSTON	FY88	4,829,962	4,815,552	0.31	FOXBOROUGH	FY88	10,152,611	10,097,130	55,481	0.51	LITTLETON	FY88	6,331,230	6,301,352	29,878
BOYLSTON	FY88	2,433,951	2,219,760	23,991	FRAMINGHAM	FY87	49,022,536	48,296,932	725,604	1.51	LONGMEADOW	FY88	13,515,924	13,453,598	62,326
BRAINTREE	FY88	27,392,895	1,178,158	4.31	FRANKLIN	FY88	11,937,421	11,339,286	598,135	5.01	LOWELL	FY88	43,293,293	40,294,704	2,998,589
BREWSTER	FY88	8,139,531	326,523	4.01	FREETOWN	FY88	4,431,545	4,233,388	198,157	4.51	LUDLOW	FY86	8,071,253	7,927,520	778,733
BRIGHTON	FY88	2,266,588	11,331	0.11	GARDNER	FY88	7,223,357	7,119,499	103,858	1.41	LUNENBURG	FY88	42,506,261	40,288,916	2,217,545
BROOKFIELD	FY87	41,168,977	174	0.11	GAY HEAD	FY88	454,568	454,334	234	0.11	LYNN	FY88	9,792,155	9,624,878	167,277
BROOKFIELD	FY88	1,034,518	920,967	113,551	GEORGETOWN	FY88	3,202,792	3,195,492	7,300	0.21	LYNNFIELD	FY88	27,270,637	27,358,287	12,340
BROOKLINE	FY87	53,358,411	389,658	0.71	GILL	FY88	693,896	693,896	276,387	39.81	MALDEN	FY88	6,045,222	6,045,355	19,867
BUCKLAND	FY88	937,355	36,009	3.81	GLOUCESTER	FY88	22,732,329	22,729,203	3,126	0.11	MALDEN	FY88	11,071,588	11,099,347	2,721
BURLINGTON	FY88	28,997,400	2,367,232	8.21	GOSHEN	FY87	499,359	496,662	2,697	0.51	MARBLEHEAD	FY88	18,771,687	18,744,687	27,173
CAMBRIDGE	FY88	99,007,989	12,028,927	12.11	GOSWOLD	FY87	196,712	108,544	88,168	4.81	MARION	FY88	3,553,147	3,552,214	7,933
CANTON	FY88	17,310,570	1,951,165	11.31	GRAFTON	FY88	6,286,951	6,062,160	224,791	3.61	MARLBOROUGH	FY87	24,556,757	24,556,708	49
CARLISLE	FY88	5,241,890	94,287	1.81	GRANBY	FY88	2,390,960	2,390,960	58	0.11	MARSHFIELD	FY88	15,087,293	14,993,482	93,811
CARVER	FY87	4,333,718	62,108	1.41	GRANVILLE	FY88	8,324,363	8,111,828	20,537	2.51	MARSHFIELD	FY88	8,745,984	8,745,984	1.51
CHARLESTON	FY88	644,281	444,281	0.11	GREENFIELD	FY88	5,014,983	4,993,159	21,824	0.41	MATTAPOISETT	FY88	4,378,099	4,378,099	7,026
CHARLTON	FY88	7,844,670	2,639,435	10.31	GREENFIELD	FY88	8,410,677	7,874,592	536,085	7.01	MAYNARD	FY88	7,184,433	7,184,433	97
CHATHAM	FY88	7,844,670	2,639,435	2.61	GRONDALE	FY88	4,381,390	4,246,996	134,394	3.11	MEDFIELD	FY88	8,030,272	7,937,426	92,846
CHELSEA	FY88	23,728,791	129,848	0.51	HALEY	FY88	2,336,754	2,333,089	3,665	0.11	MEDFORD	FY88	32,189,749	31,589,688	600,061
CHELSEA	FY87	10,352,400	3,961	0.11	HADLEY	FY88	2,510,247	2,417,788	92,459	3.71	MEDWAY	FY88	6,886,444	6,886,444	2,363
CHESTER	FY88	850,673	850,501	172	HALLIFAX	FY88	2,888,550	2,887,161	1,389	0.11	MELROSE	FY88	17,504,321	17,492,395	11,726
CHESTER	FY87	497,125	194	0.11	HAMILTON	FY88	5,339,905	5,338,554	1,351	0.11	MENON	FY88	2,106,539	1,997,201	109,338
CHESTERFIELD	FY88	641,004	640,799	205	HAMPDEN	FY88	2,460,200	2,423,576	36,624	1.51	MERRIMAC	FY88	2,126,824	2,125,652	1,172

EXCESS LEVY CAPACITY

MUNICIPALITY	LEVY LIMIT	TAX LEVY	EXCESS LEVY CAPACITY	EXCESS LEVY CAP.	LEVY LIMIT	TAX LEVY	EXCESS LEVY CAPACITY	EXCESS LEVY CAP.	LEVY LIMIT	TAX LEVY	EXCESS LEVY CAPACITY	EXCESS LEVY CAP.
METHUEN	FY87	21,674,704	19,291,977	2,382,727	11.02	2,382,727	3,998	0.02	2,400,105	2,280,795	119,310	5.02
MIDDLEBOROUGH	FY88	8,854,373	8,850,375	3,998	0.02	3,998	11,916,693	1.72	5,116,693	5,420,214	96,479	1.72
MIDDLEFIELD	FY88	214,432	206,975	7,457	3.52	7,457	53,715,589	3.72	905,929	51,709,660	2,065,929	3.72
MIDDLETON	FY88	4,064,386	3,728,195	336,191	8.32	336,191	17,736,198	3.42	594,300	17,141,898	594,300	3.42
MILFORD	FY88	14,140,061	13,676,369	463,692	3.12	463,692	5,126,721	3.12	239,050	4,867,671	239,050	3.12
MILLBURY	FY87	5,206,130	5,030,792	155,338	3.02	155,338	17,171,932	0.02	8,076	17,163,860	8,076	0.02
MILLIS	FY88	4,870,609	4,859,329	11,280	0.22	11,280	4,849,936	1.72	84,806	4,849,936	84,806	1.72
MILLVILLE	FY87	693,209	693,209	0	0.02	0	22,841,791	6.12	1,403,159	21,436,632	1,403,159	6.12
MILTON	FY87	18,398,028	17,504,378	893,650	6.52	893,650	1,152,193	3.22	13,099	1,115,029	13,099	3.22
MILWAUKEE	FY87	172,408	154,917	17,484	10.12	17,484	2,139,497	0.62	13,099	2,126,398	13,099	0.62
MONSON	FY87	2,676,132	2,672,033	4,099	0.22	4,099	7,963,885	1.12	86,868	7,877,017	86,868	1.12
MONTAGUE	FY88	3,934,366	3,904,502	29,864	0.82	29,864	5,410,330	0.62	29,797	5,380,533	29,797	0.62
MONTICU	FY87	441,127	441,127	0	0.02	0	1,998,360	9.92	138,236	1,998,360	138,236	9.92
MONTMERY	FY87	441,127	441,127	0	0.02	0	2,500,160	1.22	30,776	2,469,384	30,776	1.22
MONTMERY	FY88	92,048	91,930	118	0.12	118	378,703	15.72	59,506	319,197	59,506	15.72
MONTMERY	FY87	3,065,212	3,023,816	41,396	1.42	41,396	840,138	3.12	26,402	813,736	26,402	3.12
MONTMERY	FY88	10,112,266	10,095,103	17,163	0.22	17,163	1,849,088	0.22	4,591	1,849,088	4,591	0.22
MONTMERY	FY88	25,508,534	24,772,382	736,152	2.92	736,152	26,767,305	0.92	240	26,767,305	240	0.92
MONTMERY	FY87	28,176,363	27,984,221	192,142	0.72	192,142	3,405,983	4.22	225,004	3,380,979	225,004	4.22
MONTMERY	FY87	101,236	101,143	93	0.12	93	595,980	13.52	93,338	595,980	93,338	13.52
MONTMERY	FY87	32,878,100	31,688,639	1,209,461	3.72	1,209,461	10,130,783	5.72	606,965	10,130,783	606,965	5.72
MONTMERY	FY87	445,601	445,601	0	0.02	0	17,908,952	0.12	17,509	17,908,952	17,509	0.12
MONTMERY	FY88	911,788	911,788	0	0.02	0	233,853	2.32	5,307	233,853	5,307	2.32
MONTMERY	FY87	279,659	279,659	0	0.02	0	14,311,896	0.32	46,720	14,311,896	46,720	0.32
MONTMERY	FY88	2,999,508	2,995,325	4,183	0.12	4,183	9,570,522	2.82	266,246	9,570,522	266,246	2.82
MONTMERY	FY88	12,266,949	11,722,718	544,231	4.42	544,231	11,433,246	1.12	129,468	11,433,246	129,468	1.12
MONTMERY	FY88	96,557,912	89,629,586	6,928,326	7.22	6,928,326	1,888,352	1.12	20,339	1,888,352	20,339	1.12
MONTMERY	FY88	5,097,784	5,097,784	0	0.02	0	950,857	9.22	87,475	950,857	87,475	9.22
MONTMERY	FY88	5,168,219	4,987,304	180,915	3.52	180,915	5,156,656	1.22	59,701	5,156,656	59,701	1.22
MONTMERY	FY88	15,167,356	15,167,284	72	0.02	72	1,784,641	0.12	1,500	1,784,641	1,500	0.12
MONTMERY	FY87	11,014,404	10,444,791	569,613	5.02	569,613	14,150,837	0.12	20,420	14,150,837	20,420	0.12
MONTMERY	FY88	1,372,031	1,371,478	553	0.02	553	752,208	0.12	136	752,208	136	0.12
MONTMERY	FY88	9,336,932	8,931,314	405,618	3.72	405,618	18,106,837	0.42	80,704	18,106,837	80,704	0.42
MONTMERY	FY88	13,784,871	13,582,892	201,979	1.52	201,979	31,859,893	11.02	3,942,432	31,859,893	3,942,432	11.02
MONTMERY	FY88	9,833,349	9,578,349	255,000	2.62	255,000	6,743,943	12.12	814,378	6,743,943	814,378	12.12
MONTMERY	FY88	4,681,281	4,456,546	224,735	4.82	224,735	2,000,252	1.32	25,974	2,000,252	25,974	1.32
MONTMERY	FY88	1,619,075	1,586,420	32,655	2.02	32,655	6,205,150	0.32	15,548	6,205,150	15,548	0.32
MONTMERY	FY87	6,390,700	6,389,046	1,654	0.02	1,654	5,800,081	1.02	49,407	5,800,081	49,407	1.02
MONTMERY	FY88	9,294,643	9,281,064	13,579	0.12	13,579	3,744,546	2.52	75,780	3,744,546	75,780	2.52
MONTMERY	FY87	19,512,712	18,636,494	876,218	4.52	876,218	3,012,705	0.12	8,884	3,012,705	8,884	0.12
MONTMERY	FY88	3,178,624	3,142,465	36,159	1.12	36,159	60,977,661	1.12	645,503	60,977,661	645,503	1.12
MONTMERY	FY88	632,151	586,048	46,103	7.32	46,103	3,541,473	4.62	169,139	3,541,473	169,139	4.62
MONTMERY	FY88	2,231,788	2,211,778	20,010	0.92	20,010	2,208,752	1.12	24,589	2,208,752	24,589	1.12
MONTMERY	FY88	6,085,634	6,072,791	12,843	0.12	12,843	15,936,422	0.12	10,703	15,936,422	10,703	0.12
MONTMERY	FY88	1,131,110	1,084,298	46,812	4.12	46,812	17,199,710	0.12	8,884	17,199,710	8,884	0.12
MONTMERY	FY88	5,135,528	4,944,157	191,371	3.72	191,371	4,580,994	0.02	1,687	4,580,994	1,687	0.02
MONTMERY	FY87	4,675,132	4,209,406	465,726	10.02	465,726	4,670,544	7.62	353,856	4,670,544	353,856	7.62
MONTMERY	FY88	2,125,311	2,079,581	45,730	2.22	45,730	16,640,967	1.32	260,648	16,640,967	260,648	1.32
MONTMERY	FY88	32,353,637	29,619,975	2,733,662	8.42	2,733,662	876,968	0.82	3,677	876,968	3,677	0.82
MONTMERY	FY88	767,405	767,117	288	0.02	288	3,302,885	0.12	2,646	3,302,885	2,646	0.12
MONTMERY	FY88	9,345,922	7,959,434	1,386,488	14.52	1,386,488	12,382,111	0.02	1,382	12,382,111	1,382	0.02
MONTMERY	FY88	4,675,901	4,586,868	88,033	0.42	88,033	6,233,493	0.02	2,550	6,233,493	2,550	0.02
MONTMERY	FY87	405,488	394,970	10,518	2.62	10,518	17,110,797	0.12	10,793	17,110,797	10,793	0.12
MONTMERY	FY88	672,820	672,820	0	0.02	0	1,312,766	0.22	2,324	1,312,766	2,324	0.22
MONTMERY	FY88	407,806	407,291	515	7.92	515	16,574,768	0.22	33,471	16,574,768	33,471	0.22
MONTMERY	FY88	9,345,922	7,959,434	1,386,488	14.52	1,386,488	4,904,235	1.62	78,753	4,904,235	78,753	1.62
MONTMERY	FY88	4,675,901	4,586,868	88,033	0.42	88,033	6,233,493	0.02	2,550	6,233,493	2,550	0.02
MONTMERY	FY87	405,488	394,970	10,518	2.62	10,518	17,110,797	0.12	10,793	17,110,797	10,793	0.12
MONTMERY	FY88	672,820	672,820	0	0.02	0	1,312,766	0.22	2,324	1,312,766	2,324	0.22
MONTMERY	FY88	407,806	407,291	515	7.92	515	16,574,768	0.22	33,471	16,574,768	33,471	0.22
MONTMERY	FY88	9,345,922	7,959,434	1,386,488	14.52	1,386,488	4,904,235	1.62	78,753	4,904,235	78,753	1.62
MONTMERY	FY88	4,675,901	4,586,868	88,033	0.42	88,033	6,233,493	0.02	2,550	6,233,493	2,550	0.02
MONTMERY	FY87	405,488	394,970	10,518	2.62	10,518	17,110,797	0.12	10,793	17,110,797	10,793	0.12
MONTMERY	FY88	672,820	672,820	0	0.02	0	1,312,766	0.22	2,324	1,312,766	2,324	0.22
MONTMERY	FY88	407,806	407,291	515	7.92	515	16,574,768	0.22	33,471	16,574,768	33,471	0.22
MONTMERY	FY88	9,345,922	7,959,434	1,386,488	14.52	1,386,488	4,904,235	1.62	78,753	4,904,235	78,753	1.62
MONTMERY	FY88	4,675,901	4,586,868	88,033	0.42	88,033	6,233,493	0.02	2,550	6,233,493	2,550	0.02
MONTMERY	FY87	405,488	394,970	10,518	2.62	10,518	17,110,797	0.12	10,793	17,110,797	10,793	0.12
MONTMERY	FY88	672,820	672,820	0	0.02	0	1,312,766	0.22	2,324	1,312,766	2,324	0.22
MONTMERY	FY88	407,806	407,291	515	7.92	515	16,574,768	0.22	33,471	16,574,768	33,471	0.22
MONTMERY	FY88	9,345,922	7,959,434	1,386,488	14.52	1,386,488	4,904,235	1.62	78,753	4,904,235	78,753	1.62
MONTMERY	FY88	4,675,901	4,586,868	88,033	0.42	88,033	6,233,493	0.02	2,550	6,233,493	2,550	0.02
MONTMERY	FY87	405,488	394,970	10,518	2.62	10,518	17,110,797	0.12	10,793	17,110,797	10,793	0.12
MONTMERY	FY88	672,820	672,820	0	0.02	0	1,312,766	0.22	2,324	1,312,766	2,324	0.22
MONTMERY	FY88	407,806	407,291	515	7.92	515	16,574,768	0.22	33,471	16,574,768	33,471	0.22
MONTMERY	FY88	9,345,922	7,959,434	1,386,488	14.52	1,386,488	4,904,235	1.62	78,753	4,904,235	78,753	1.62
MONTMERY	FY88	4,675,901	4,586,868	88,033	0.42	88,033	6,233,493	0.02	2,550	6,233,493	2,550	0.02
MONTMERY	FY87	405,488	394,970	10,518	2.62	10,518	17,110,797	0.12	10,793	17,110,797	10,793	0.12
MONTMERY	FY88	672,820	672,820	0	0.02	0	1,312,766	0.22	2,324	1,312,766	2,324	0.22
MONTMERY	FY88	407,806	407,291	515	7.92	515	16,574,768	0.22	33,471	16,574,768	33,471	0.22
MONTMERY	FY88	9,345,922	7,959,434	1,386,488	14.52	1,386,488	4,904,235	1.62	78,753	4,904,235	78,753	1.62
MONTMERY	FY88	4,675,901	4,586,868	88,033	0.42	88,033	6,233,493	0.02	2,550	6,233,493	2,550	0.02
MONTMERY	FY87	405,488	394,970	10,518	2.62	10,518	17,110,797	0.12	10,793	17,110,797	10,793	



APRIL 5 - Course 100: Assessment Office Procedures. This course will be held on Tuesday mornings from 9:00 a.m. - noon at the Massachusetts Maritime Academy library in Bourne and will continue through May 10.

APRIL - MAY Course 101: Assessors Administration: Law, Procedures, Valuation. Classes are scheduled as follows:

Canton High School - Tuesday evening
7:00 - 10:00 p.m.

Holyoke Community College - Thursday evenings
7:00 - 10:00 p.m.

MAY - Classification Training Workshops; evenings in various regional locations. Certification procedures, calculating "new growth" and shifting the tax burden will be discussed.

MAY 13 - "What's New in Municipal Law?" A one day workshop to update local officials on new laws and recent court decisions; 9:00 a.m. - 4:00 p.m. at the Sheraton in Plymouth.

MAY 18 - A Training Session for new town accountants and city auditors will be held at Taunton High School from 9:00 a.m. - 4:30 p.m.

MAY 26 - "Ask the Experts: State Agencies and Your Local Government" A program designed to increase the awareness of local officials of which state agencies interact with local government. Representatives of various state agencies will participate. The seminar will be held at the Sheraton Boston from 9:00 a.m. - 4:00 p.m.

A Treasurer's Course for Veterans and Novices

The Division of Local Services has developed a new course for treasurers and their assistants. The course will provide an opportunity for new treasurers to learn about their duties and responsibilities, and for experienced treasurers to refresh and update their knowledge.

Treasurers will be given the chance to have municipal laws clarified and to ask questions of DLS staff. We anticipate that this interaction will build better communication and encourage treasurers to contact Local Services for assistance when needed.

To insure that the curriculum is responsive to the needs of local treasurers and that the course will be offered at convenient times, a survey has

been sent to municipal and district treasurers. The initial response has been excellent and we look forward to receiving input from as many treasurers as possible.

The new course will be offered in various locations at times which will be convenient for the majority of treasurers in the area. The first will be held in Berkshire County in May - June. Municipal officials should look for a forthcoming mailing containing specific dates and a registration form for the first course.

"ASK THE EXPERTS" State Agencies meet Local Government

Which state agencies interact directly with local government? What services can they provide? Do they have regulations which affect the work of local officials?

"Ask the Experts" is a unique program coordinated by the Division of Local Services to bring together legal experts from a number of state agencies which deal with local government. Representatives from the Department of Education, the Ethics Commission, the Inspector General, the Public Employee Retirement Administration and the Office of the Secretary of State will participate in a

one day seminar at the Sheraton Boston on Thursday, May 26, from 9:00 a.m. to 4:00 p.m. This forum will cover such diverse topics as the new pension reform, Chapter 766, nepotism, and rules governing local election. There is no charge for the seminar. An optional luncheon is available for a nominal fee.

For more information on any of these courses, please contact:

Jean McCarthy, Coordinator of Training
Division of Local Services (617) 727-2300

The Latest in Financial Management Assistance

The Municipal Data Management and Technical Assistance Bureau (MDM/TAB) offers consulting services to cities and towns on a wide range of municipal finance topics. All management analysis and assistance are provided at no charge to the community.

Belchertown: Revenue and Expenditure Forecast and Cost Analysis of Sewer Service

The Division's Technical Assistance unit reviewed the town's current and future financial trends and projected the cost of maintaining the current level of services for the period FY89 to FY91. In addition, Division staff analyzed the current direct, indirect, and total costs of providing sewer services, and provided several options the town could consider when setting future user charges.

Holliston: Financial Management Review

After reviewing Holliston's current financial management structure, the Division's Technical Assistance unit issued a report recommending a number of organizational changes. This review revealed that Holliston's system of financial management was decentralized, having no single board of individual with the authority to coordinate financial functions. The report recommended that a number of positions be changed from elective to appointive, that a chief financial officer be appointed, and that the responsibility of the executive secretary in the budget process be broadened.

Marshfield: Revenue and Expenditure Forecast and Review of the Town Assessing Officials

Marshfield's current and future financial trends were reviewed by the Technical Assistance unit and the costs of maintaining the current level of services for the period FY89 to FY93 were projected. Division personnel also reviewed the operations of the town's Assessing Office and made recommendations for improvement. This review addressed current operations, staffing and plans for the upcoming triennial revaluation of property.

* * * * *

For more information on the Financial Management Assistance program, contact:

A. Louis Hayward, Bureau Chief
Municipal Data Management Bureau
Technical Assistance Bureau
(617) 727-9260

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CITY & Town, a publication of the Massachusetts Department of Revenue's Division of Local Services, is published 11 times per year. The Division is responsible for the oversight and assistance to cities and towns in achieving equitable property taxation and efficient fiscal management.

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Division of Local Services

Stephen W. Kidder
Commissioner

Edward J. Collins, Jr.
Deputy Commissioner

Community Growth Workshop Offers Insight on Planning

On February 10, 1988, the Department of Revenue's Division of Local Services and the University of Massachusetts Center for Economic Development conducted a workshop on "Planning for Community Growth: Financial Impacts of Development". Representatives for the DLS included Deputy Commissioner Edward Collins, Jane Malme, Chief of the Bureau of Local Assessment, and Rob Addelson of the Municipal Data Management and Technical Assistance Bureau. The Center for Economic Development was represented by Director Samuel Seskin and Research Associate Nancy Goff. The workshop's objective was to provide communities with a framework to use in measuring the financial impacts of growth and its financial capacity to accommodate growth.

The motivation for holding the workshop was the recognition that many communities in the state are experiencing increased pressures on local services due to accelerating rates of residential, commercial and industrial growth. Furthermore, when coupled with the constraints of Proposition 2 1/2, this growth underscores the need for cities and towns to begin long-range financial planning to determine the costs required to maintain current services and to initiate the new operating and capital programs needed to provide for new growth, and to determine the ability of the community to cover these costs from existing or new sources of revenue.

The first half of the workshop, moderated by the Center for Economic Development, focused on examining a community's fiscal history to determine if the revenues generated by development in that community are sufficient to cover the added costs it must absorb in providing additional services associated with the development. The DLS conducted the second half of the workshop, which concentrated on approaches open to communities in determining the impacts of new development.

Workshop participants were provided with a workbook describing a technique for measuring the expenditure impacts of development. This technique involves creating a Development Impact Matrix to facilitate the calculation of costs required to expand existing services to new development. Particular emphasis was placed on the need for communities to develop facility and service standards as a basis for calculating these impacts. For example, in order to determine the increased recreation costs generated by a residential development, a community needs to agree on the number of acres of parkland and open space that are desirable per 1000 residents. Without this kind of standard, it is impossible to assess expenditure impacts.

Other topics of discussion included the procedure for calculating additional revenues generated by new development and strategies communities could employ if it is determined that the costs generated by new development exceed the revenues generated. These included the evaluation of existing user charges and the degree to which they are recovering the costs of service delivery, the adoption of user charges, issuing debt, overrides of Proposition 2 1/2, and instituting impact fees. In regard to this last strategy, it was noted that at present, there is little statutory basis in Massachusetts for communities to enact impact fees although there are a number of bills currently being considered in the legislature.

If you would like a copy of the workbook distributed at the workshop, contact A. Louis Hayward, Chief, Municipal Data Management and Technical Assistance Bureau at (617) 727-9260.



GOVERNMENT DOCUMENTS
COLLECTION

MAY 19 1988

University of Massachusetts
Depository Copy

Questions are often raised concerning the authority of municipalities to appropriate funds for the purpose of influencing the vote on referenda appearing on state, city or town ballots. This question is especially relevant in view of communities' increasing interest in and use of Proposition 2 1/2 overrides. A ruling by the Supreme Judicial Court answered questions for eleven Boston residents who sued the City in 1978.

In *Anderson v. City of Boston*, 376 Mass. 178 (1978), eleven taxpayers of Boston sought to stop the City from spending a considerable amount of money on the support of a referendum proposed to amend the Massachusetts Constitution. This "Classification Amendment" would authorize the legislature to "classify real property according to its use in no more than four classes." Although this amendment eventually did become law ten years ago, it was a topic of intense debate.

In June of 1978, the Boston City Council approved the mayor's order authorizing the expenditure of city funds "for the purpose of providing educational materials and disseminating information urging the adoption of a proposed amendment to the Massachusetts Constitution relating to the classification of property for purposes of taxation." The Office of Public Information on Classification was organized to "collect and distribute information on the impact of 100% valuation on Boston residents and on the Classification Amendment's potential to reduce that impact." The message of the City's informational material urged voters to approve the classification question. The City would also provide office space and telephones to unpaid volunteers to "enable them to augment the City's efforts" as well as providing printed materials at the City's expense.

The City Council approved \$123,000 to contract with a firm to instruct volunteers in effective voter communication. Another \$100,000 was requested to employ a consulting firm to measure the level of public understanding on the classification issue and to design informational materials.

The City of Boston used the Home Rule Amendment as a defense. This amendment authorizes a municipality by ordinance or by-law to "exercise any power or function which the general court

has power to confer upon it" which is not inconsistent with the constitution or laws enacted by the general court. The issue then is whether or not the City's home rule ordinance is inconsistent with any law enacted by the Legislature under the powers it reserves in the Home Rule Amendment.

The plaintiffs held that the appropriation of funds by a municipality for the purpose of influencing the vote on a Statewide referendum question is "inconsistent with laws enacted by the general court". Chapter 55 of the General Laws, enacted after the adoption of the Home Rule Amendment, was written to regulate election financing by setting forth detailed reporting requirements to provide for public disclosure of all political contributions and expenditures.

In the Court's view, Ch. 55 demonstrates clear legislative intent to bar municipalities from spending funds to influence election results. Cities and towns, therefore, should not use public funds to instruct the people how to vote on certain issues.

Furthermore, the fact that Boston met Ch. 55's statutory requirement of filing reports on questions submitted to the voters on a State ballot with the Director of Campaign and Political Finance did not authorize the City to appropriate funds to influence referendum results. Using municipal revenues to advocate a position opposed by a given group of taxpayers is also prohibited by the legislature because the dissenting minority should not have to finance the expression of views with which they disagree.

The legislature decided, according to the Court, that fairness in the electoral process could be best achieved by having the political subdivisions of the Commonwealth maintain a "hands off" policy. Municipalities then should not use public funds to instruct the people how to vote on a particular issue. If there is an absence of a provision in Chapter 55 concerning municipal action to influence an election, that's because the legislature did not even conceive that such action could occur.

After *Anderson*, public funds may not be expended for political purposes. The municipal treasurer must report any political expenditures and failure to do so can result in criminal penalties including restitution of public funds which have been spent contrary to law by public officials.

FOCUS

A regular supplement to CITY & Town on topics of municipal finance.

* * * * *

This **CITY & Town FOCUS** provides information on **FY89 Cherry Sheet Receipts**.

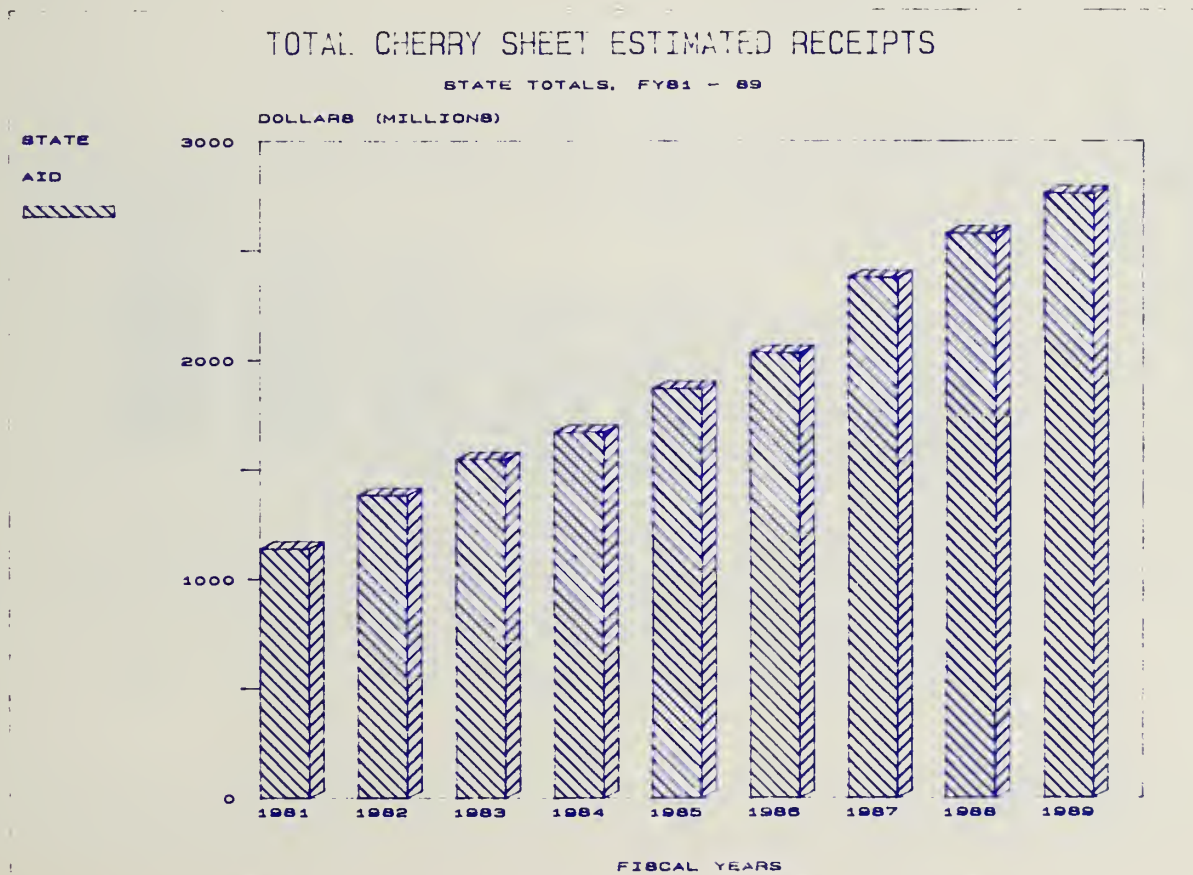
The Division of Local Services is responsible for the annual preparation and distribution of the **Cherry Sheets** to the Commonwealth's 351 cities and towns. Named for the cherry colored paper on which they were originally printed, **Cherry Sheets** combine two separate notifications to each city and town: **Receipts and Assessments**. Receipts include distributions and reimbursements. Distributions are funds that are provided according to varying formulas. Reimbursements are funds that are paid for all or part of costs incurred in the previous year for certain activities or services provided by the community.

The Commissioner of Revenue is required by law to estimate in advance all the Commonwealth's share of local reimbursement and assistance programs as authorized by law and appropriated by the Legislature. Local Assessors are required to use these figures in determining the tax rate for their community.

This is the fifth year that **Cherry Sheets** have been distributed on or before the March 1st deadline — in fact, the **FY89 Cherry Sheet** mailing date of February 23rd marks the *earliest* date ever that **Cherry Sheets** have been distributed. This early **Cherry Sheet** release allows communities ample time to plan their budgets for the new fiscal year (**FY89**) beginning on July 1, 1988.

Beginning with **FY88**, **Cherry Sheet** payments to cities and towns are made on a quarterly basis, rather than semi-annually, as was past practice. Quarterly payments enable local governments to better manage cash flow, avoid borrowing costs and earn extra interest, all of which combined are worth a total of \$7 million to communities.

Cherry Sheet Receipts include Resolution Aid and such programs as Equal Educational Opportunity, School Building Assistance, and Pupil Transportation. Resolution Aid refers to the amounts allocated to communities as stated in a Legislative Resolution approved in February. Resolution Aid for **FY89** includes Chapter 70 School Aid, Additional Assistance, and Jails Assessment Savings.



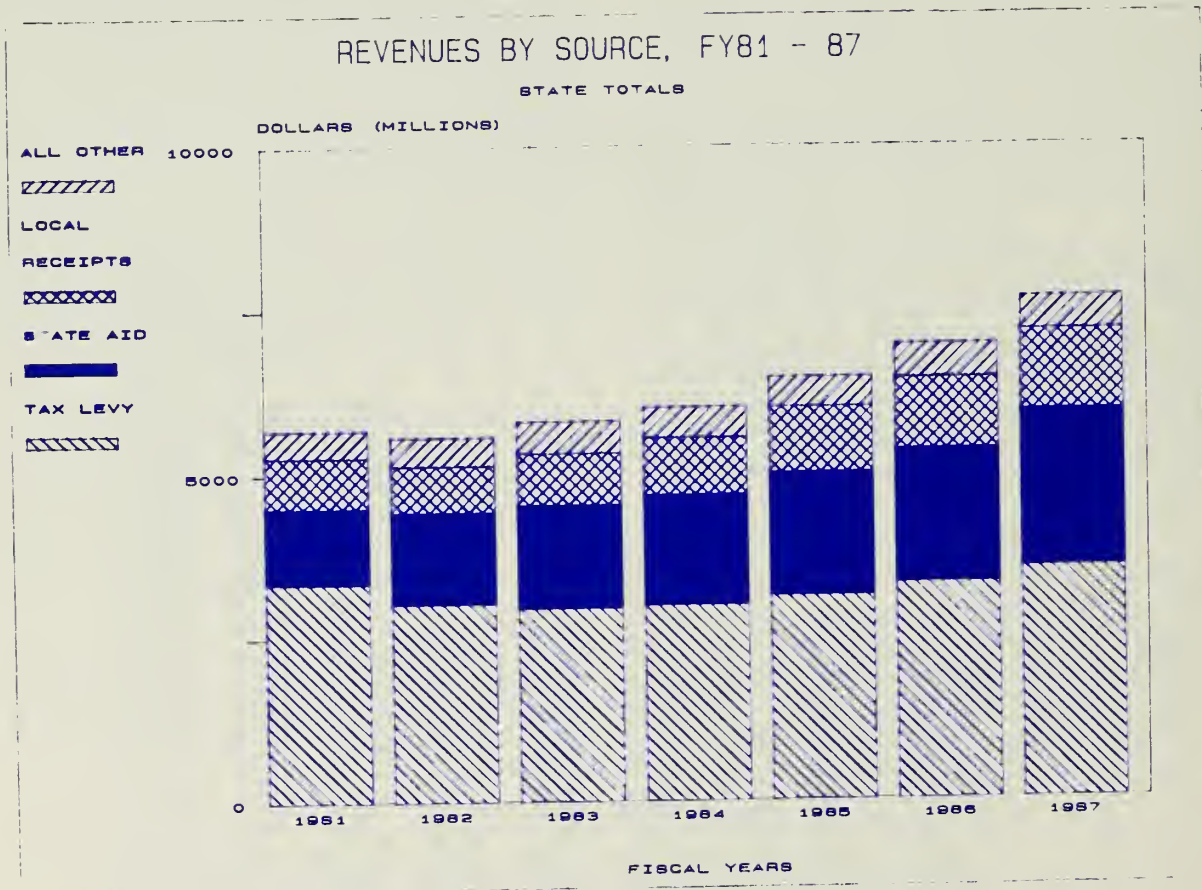
FINDINGS

Between FY81 and FY89, total municipal Cherry Sheet receipts increased by a total of \$1.62 billion or 142% statewide. For FY89, total direct Cherry Sheet distributions are **\$2.76 billion**, reflecting new Resolution Aid of **\$161.7 million** above and beyond FY88 levels.

Between FY81 and FY87, state aid more than doubled, increasing from **\$1.14 billion** in FY81 to **\$2.37 billion** in FY87. The portion of local spending supported by state aid rose for **20.1%** in FY81 to **31.1%** in FY87.

The graph on the preceding page shows the increases in Cherry Sheet Aid from FY81 to FY 89. The graph below shows total FY81 and FY87 Local Revenues by Source broken down by Tax Levy, State Aid, Local Receipts, and Other. The following printout provides information by community on FY89 Cherry Sheet Receipts as compared to FY81 Cherry Sheet Receipts for analytic purposes. Please note that FY89 Receipts include the County Jails Assessment Savings which appear as a reduction of the County Tax.

CITY & Town Focus jointly developed by the Analysis Unit and the Municipal Data Management Technical Assistance Bureau of the Division of Local Services. This issue of **CITY & Town FOCUS** was prepared by Julie Slavet and Leslie Kirwan of the Analysis Unit and Carl Schulz and John Sanguinet of MDM/TAB. For more information, call the Analysis Unit at 727-2300 or MDM/TAB at 727-9260.



CHERRY SHEET RECEIPTS

MUNICIPALITY	FY 1987 CHERRY SHEET	FY 1987 ACTUAL CHANGE	PERCENT CHANGE	MUNICIPALITY	FY 1987 CHERRY SHEET	FY 1987 ACTUAL CHANGE	PERCENT CHANGE	MUNICIPALITY	FY 1987 CHERRY SHEET	FY 1987 ACTUAL CHANGE	PERCENT CHANGE	MUNICIPALITY	FY 1987 CHERRY SHEET	FY 1987 ACTUAL CHANGE	PERCENT CHANGE		
ABINGTON	2,587,917	5,276,196	141.1%	CHICOPPE	14,700,409	30,376,765	16,076,376	112.1%	HANCOCK	115,307	170,366	55.0%	HANCOCK	115,307	170,366	55.0%	
ACON	1,505,733	3,116,546	107.0%	CHILMARK	33,088	48,139	15,051	45.5%	HANDOVER	2,163,776	4,988,974	2,825,198	130.6%	HANDOVER	2,163,776	4,988,974	130.6%
ACUSHNET	1,470,723	2,034,328	138.3%	CLARKSBURG	483,682	974,400	470,400	97.3%	HANSON	1,384,125	3,736,555	2,352,430	169.9%	HANSON	1,384,125	3,736,555	169.9%
ADAMS	2,234,487	1,499,758	204.1%	CLINTON	3,231,155	7,181,522	3,950,367	122.3%	HARLOW	3,373,382	468,809	95,477	25.6%	HARLOW	3,373,382	468,809	25.6%
AGAWAM	3,242,001	11,114,200	242.8%	COHASSET	1,087,265	1,839,434	752,229	69.2%	HARVARD	494,721	3,888,480	3,393,759	686.0%	HARVARD	494,721	3,888,480	686.0%
ALFORD	18,877	49,473	162.8%	COLRAIN	115,569	369,709	254,140	219.9%	HARWICH	891,503	1,594,596	703,093	78.9%	HARWICH	891,503	1,594,596	78.9%
AMESBURY	3,668,359	7,300,733	99.0%	CONCORD	1,950,039	3,651,105	1,701,076	87.2%	HATFIELD	532,877	1,012,671	489,794	92.7%	HATFIELD	532,877	1,012,671	92.7%
ANDOVER	5,415,277	9,065,591	275.3%	CONWAY	139,371	371,797	232,426	181.1%	HAVERHILL	9,825,297	24,104,731	14,279,434	145.2%	HAVERHILL	9,825,297	24,104,731	145.2%
ARLINGTON	3,183,368	3,188,287	100.2%	CUMMINGTON	75,118	168,054	92,936	123.7%	HAWLEY	83,957	181,140	97,183	37.1%	HAWLEY	83,957	181,140	37.1%
ASHFORD	1,537,087	2,558,191	175.8%	DALTON	330,416	1,416,342	1,085,926	328.6%	HEATH	76,227	181,831	105,604	138.5%	HEATH	76,227	181,831	138.5%
ATHOL	635,102	3,138,346	394.1%	DANVERS	3,021,944	6,713,236	3,691,292	122.1%	HINGHAM	2,961,395	4,994,759	2,033,364	68.5%	HINGHAM	2,961,395	4,994,759	68.5%
ASHBURNHAM	494,583	761,244	53.9%	DARTMOUTH	2,971,755	7,441,129	4,469,374	157.7%	HINSDALE	1,125,845	2,482,400	1,356,555	120.5%	HINSDALE	1,125,845	2,482,400	120.5%
ASHEBURY	157,100	279,708	111.5%	DEERFIELD	3,121,088	7,049,268	3,928,180	126.2%	HOLBROOK	2,005,417	5,082,400	3,076,983	153.4%	HOLBROOK	2,005,417	5,082,400	153.4%
ATLANTIC	147,947	279,354	108.2%	DENNIS	314,166	913,425	599,259	190.7%	HOLLAND	1,452,732	3,387,905	1,935,173	137.2%	HOLLAND	1,452,732	3,387,905	137.2%
AUGUSTA	1,537,087	2,558,191	103.5%	DIGHTON	585,517	1,688,982	1,103,465	189.0%	HOLLISTON	2,512,553	4,700,727	2,188,174	87.1%	HOLLISTON	2,512,553	4,700,727	87.1%
AYER	2,342,363	4,838,137	108.5%	DODGERS	703,125	2,709,533	2,006,408	285.9%	HOLYOKE	14,882,353	40,151,451	25,269,097	168.1%	HOLYOKE	14,882,353	40,151,451	168.1%
BARRE	3,266,146	6,705,961	105.3%	DUNSTABLE	70,296	287,404	217,108	312.1%	HOPKINTON	2,041,653	2,041,653	0.0%	HOPKINTON	2,041,653	2,041,653	0.0%	
BARNSTABLE	705,275	704,653	-0.1%	DUXBURY	2,021,618	5,599,150	3,577,532	177.1%	HUBBARDSTON	280,439	261,444	-18,995	-6.8%	HUBBARDSTON	280,439	261,444	-6.8%
BARNSTABLE	1,220,267	3,334,312	92.1%	EAST BRIDGEWATER	2,021,618	5,599,150	3,577,532	177.1%	HUDSON	3,012,083	7,020,013	4,007,930	133.1%	HUDSON	3,012,083	7,020,013	133.1%
BELLINGHAM	4,266,711	7,338,144	72.0%	EAST BROOKFIELD	1,918,229	4,081,310	2,163,081	112.8%	HUNTINGTON	2,128,857	3,397,914	1,269,057	200.8%	HUNTINGTON	2,128,857	3,397,914	200.8%
BELMONT	2,519,295	6,450,704	153.9%	EAST LONGMEADOW	1,918,229	4,081,310	2,163,081	112.8%	IPSWICH	2,058,337	3,670,614	1,612,277	78.3%	IPSWICH	2,058,337	3,670,614	78.3%
BELMONT	2,519,295	6,450,704	153.9%	EASTAMPTON	180,328	356,016	175,688	97.4%	KINGSTON	707,654	1,871,615	1,163,961	164.5%	KINGSTON	707,654	1,871,615	164.5%
BELMONT	2,519,295	6,450,704	153.9%	EASTAMPTON	180,328	356,016	175,688	97.4%	LAKESIDE	491,726	2,018,274	1,526,548	310.4%	LAKESIDE	491,726	2,018,274	310.4%
BELMONT	2,519,295	6,450,704	153.9%	EASTAMPTON	180,328	356,016	175,688	97.4%	LANCASTER	963,551	2,289,749	1,326,198	137.6%	LANCASTER	963,551	2,289,749	137.6%
BELMONT	2,519,295	6,450,704	153.9%	EASTAMPTON	180,328	356,016	175,688	97.4%	LANCASTER	963,551	2,289,749	1,326,198	137.6%	LANCASTER	963,551	2,289,749	137.6%
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BELMONT	2,519,295	6,450,704	153.9%	EASTAMPTON	180,328	356,016	175,688	97.4%	LANCASTER	963,551	2,289,749	1,326,198	137.6%	LANCASTER	963,551	2,289,749	137.6%
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BELMONT	2,519,295																

CHERRY SHEET RECEIPTS

MUNICIPALITY	FY 1981 CHERRY SHEET	FY 1989 CHERRY SHEET	PERCENT CHANGE	MUNICIPALITY	FY 1981 CHERRY SHEET	FY 1989 CHERRY SHEET	PERCENT CHANGE	ACTUAL CHANGE	PERCENT CHANGE
METHUEN	6,314,152	15,842,177	150.9%	TYNGSBOROUGH	961,591	2,488,545	95.3%	1,526,954	158.8%
MIDDLEBOROUGH	2,867,605	9,271,426	223.3%	TYNGSBOROUGH	48,010	79,456	66.8%	31,446	77.1%
MIDDLEFIELD	54,075	119,979	121.9%	UPTON	225,897	727,680	206.9%	501,783	222.1%
MIDDLETON	371,183	874,667	135.6%	UXBRIDGE	1,646,081	4,151,310	113.8%	2,505,229	152.2%
MILFORD	5,603,976	12,865,822	129.6%	WAKEFIELD	3,971,408	7,902,512	100.0%	3,931,104	99.0%
MILLBURY	3,186,314	5,463,724	71.5%	WALES	208,095	523,227	115.1%	315,132	151.4%
MILLS	1,160,663	2,705,932	133.1%	WALPOLE	3,244,661	6,124,892	106.7%	2,880,231	88.1%
MILLVILLE	2,273,493	3,306,543	46.0%	WALTHAM	7,327,241	19,257,670	160.7%	11,930,429	162.8%
MILTON	2,196,378	6,127,504	179.0%	WARE	1,892,690	4,836,023	81.4%	2,943,333	155.5%
MINOR	85,744	71,232	8.3%	WAREHAM	1,947,208	7,311,253	365.0%	5,364,045	275.5%
MONROE	1,466,770	3,778,329	157.6%	WARREN	632,620	1,742,995	114.9%	1,110,375	175.5%
MONSON	868,727	1,663,227	91.5%	WARREN	1,598,321	3,244,661	32.4%	1,646,340	62.1%
MONTEAGUE	107,249	1,671,085	55.8%	WARWICK	166,962	270,649	160.9%	103,687	62.1%
MONTEREY	40,155	111,501	177.7%	WASHINGTON	197,303	1,005,539	408.3%	808,236	408.3%
MOUNT WASHINGTON	66,831	78,935	18.1%	WATERBURY	4,002,584	12,037,777	183.8%	8,035,193	200.7%
NAHANT	373,473	869,176	132.7%	WATERBURY	2,451,891	3,355,668	109.3%	903,777	36.8%
NANTUCKET	3,193,329	2,398,291	301.7%	WEBSTER	3,609,962	7,833,284	156.0%	4,223,322	117.0%
NANTUCKET	4,061,561	9,138,146	125.0%	WELLESLEY	3,216,423	5,190,189	190.4%	1,973,766	61.4%
NEEDHAM	2,795,781	5,076,585	82.6%	WELLESLEY	225,414	89,965	66.4%	89,965	66.4%
NEEDHAM	5,215,674	2,419,893	86.6%	WENDELL	162,186	288,740	196.4%	126,554	78.0%
NEW ASHFORD	34,754	50,889	46.4%	WENHAM	93,546	574,444	43.8%	480,898	514.1%
NEW BEDFORD	29,217,074	75,736,309	159.2%	WEST BOYLSTON	892,145	1,856,250	171.1%	964,105	108.1%
NEW BRANTREE	152,767	163,543	6.3%	WEST BOYLSTON	1,123,628	2,374,236	132.9%	1,250,608	111.3%
NEW HARBOROUGH	101,357	196,954	94.3%	WEST BRIDGEWATER	327,511	879,922	138.3%	552,411	168.7%
NEW SALEM	64,969	156,284	140.6%	WEST BROOKFIELD	899,236	999,236	10.0%	99,000	10.0%
NEWBURY	518,080	1,028,242	98.5%	WEST NEWBURY	2,680,331	9,913,723	155.6%	7,233,392	269.9%
NEWBURYPORT	2,649,475	6,487,775	144.9%	WEST SPRINGFIELD	63,501	194,754	99.9%	131,253	206.7%
NEWTON	10,318,976	16,338,908	58.3%	WEST STOCKBRIDGE	558,241	788,294	228.6%	230,053	41.2%
NORFOLK	829,286	1,794,236	116.4%	WEST TISBURY	1,767,032	3,191,871	340.2%	1,424,839	80.6%
NORTH ADAMS	5,520,585	11,998,954	117.3%	WESTBOROUGH	5,404,531	17,304,419	76.1%	11,899,888	220.2%
NORTH ANDOVER	2,084,251	4,490,986	115.5%	WESTFIELD	2,554,715	4,798,592	145.5%	2,243,877	87.8%
NORTH ATTLEBOROUGH	3,076,287	9,411,445	205.9%	WESTFORD	89,914	274,843	137.8%	184,929	205.7%
NORTH BROOKFIELD	1,200,303	2,562,152	113.5%	WESTHAMPTON	464,558	838,422	88.7%	373,864	80.5%
NORTH READING	1,067,184	3,928,027	268.2%	WESTMINSTER	1,840,930	5,646,105	205.3%	3,805,175	205.3%
NORTHAMPTON	5,393,803	12,855,243	138.3%	WESTON	2,308,600	4,550,095	95.4%	2,241,495	95.4%
NORTHBOROUGH	1,341,700	2,933,987	118.7%	WESTPORT	1,918,034	2,699,293	168.5%	781,259	40.7%
NORTHBRIDGE	2,716,683	7,169,865	163.9%	WESTWOOD	10,273,836	24,272,716	247.2%	13,998,880	136.3%
NORTHFIELD	2,248,144	5,214,484	132.7%	WEYMOUTH	100,624	250,873	84.1%	150,249	149.3%
NORTON	2,449,015	6,402,199	161.4%	WHATELY	2,194,206	5,646,105	149.0%	3,451,899	157.3%
NORWELL	2,179,226	2,928,226	34.4%	WHITMAN	1,554,679	3,127,726	169.1%	1,573,047	89.0%
NORWOOD	4,280,737	9,728,656	127.2%	WILBRAHAM	259,928	782,824	-16.0%	522,896	201.2%
OAK BLUFFS	158,795	333,506	110.0%	WILLIAMSTOWN	635,903	1,991,842	159.9%	1,355,939	213.2%
OAKHAM	182,107	199,756	9.7%	WILLIAMSTOWN	2,990,400	6,400,202	94.0%	3,409,802	114.0%
ORANGE	1,277,332	3,517,413	175.4%	WINCHENDEN	2,506,473	4,848,375	93.4%	2,341,902	93.4%
ORLEANS	182,258	471,928	158.9%	WINCHESTER	2,868,121	4,206,667	46.7%	1,338,546	46.7%
OTIS	231,298	255,164	10.3%	WINDSOR	114,788	175,583	53.0%	60,795	53.0%
OXFORD	3,257,310	6,235,934	91.4%	WINDSOR	3,902,235	9,028,901	95.0%	5,126,666	131.4%
PAINTER	1,712,013	5,115,042	198.8%	WINTHROP	5,408,425	12,048,110	96.8%	6,639,685	122.8%
PATON	400,311	911,775	127.8%	WINTHROP	44,701,850	110,034,760	146.2%	65,332,910	146.2%
PERABODY	7,266,930	19,085,893	162.5%	WINTHROP	67,258	144,909	89.0%	77,651	115.5%
PELHAM	126,362	199,766	58.1%	WINTHROP	919,317	2,339,600	254.5%	1,420,283	154.5%
PENNAKOE	1,963,838	3,957,870	101.5%	YARMOUTH	580,463	1,672,282	85.9%	1,091,819	188.1%
PEPPERELL	3,325,458	9,952,311	192.8%	YARMOUTH	1,442,979	85.9%	1,442,979	85.9%	
PERU	67,681	188,067	169.5%	YARMOUTH	4,051,121	168.3%	4,051,121	168.3%	
PETERSHAM	156,504	225,008	43.8%	YARMOUTH	16,047,358	136.2%	16,047,358	136.2%	
PHILLIPSTON	96,469	156,680	62.4%	YARMOUTH	1,274,871	315.3%	1,274,871	315.3%	
PITTSFIELD	9,808,924	29,471,371	200.5%	YARMOUTH	5,444,567	118.5%	5,444,567	118.5%	
PLAINFIELD	86,672	99,217	14.2%	YARMOUTH	173,181	95.9%	173,181	95.9%	
PLAINVILLE	502,799	1,500,172	195.4%	YARMOUTH	22,836	17.9%	22,836	17.9%	
PLANTAGUINET	3,732,288	6,824,090	82.8%	YARMOUTH	608,838	93.8%	608,838	93.8%	
PLYMOUTH	175,919	520,276	195.7%	YARMOUTH	847,454	255.3%	847,454	255.3%	
PLYMOUTH	344,357	74,602	19.7%	YARMOUTH	74,602	57.4%	74,602	57.4%	
STATE TOTALS	113,389,718	275,941,698	142.4%	STATE TOTALS	162,102,728	142.4%	162,102,728	142.4%	



- MAY 13 - "What's New in Municipal Law?"** A one day workshop to update local officials on new laws and recent court decisions; 9:00 a.m. - 4:00 p.m. at the Sheraton in Plymouth.
- MAY 18 - A Training Session** for new town accountants and city auditors will be held at Taunton High School from 9:00 a.m. - 4:30 p.m.
- MAY 24 - Classification Training Workshop;** Sessions will cover certification procedures, calculating "new growth" and shifting the tax burden. First workshop to be held at Berkshire Community College in Pittsfield from 6:30 - 9:30 p.m.
- MAY 25 - Classification Training Workshop;** Holyoke Community College from 6:30 - 9:30 p.m.
- MAY 26 - Classification Training Workshop;** Masconomet Regional High School from 6:30 - 9:30 p.m.
- MAY 26 - "Ask the Experts: State Agencies and Your Government"** A program designed to increase the awareness of local officials of which state agencies interact with local government. Representatives of various state agencies will participate. The seminar will be held at the Sheraton Boston from 9:00 a.m. - 4:00 p.m.

Municipal Fiscal Calendar

- MAY 1 - Accounting Officers and Treasurers;** Submit a notification of the amount of the debt due for the next fiscal year to assessors offices.
- MAY 15 - Treasurers;** Submit the Third Quarter Reconciliation of Cash data to the Department of Revenue.
- MAY 15 - Department of Revenue;** Submits telephone, telegraph, and pipeline company certifications to assessors and owners.
- MAY 15 - Department of Revenue;** Certifies quarterly local aid payments for the State Treasurer to distribute on June 1.

DLS to Co-Sponsor Computer Exposition

On Friday, June 10, local officials are cordially invited to participate in the 1988 Massachusetts School and Municipal Data Processing Exposition. This event is cosponsored by the Executive Office of Communities and Development, the Massachusetts Municipal Association, and the Division of Local Services.

Included in the Exposition will be workshops, seminars, and exhibits focusing on developments in computer hardware and software for the use of local government. Computer experts from the Division of Local Services staff will be available to discuss the CAMA project, automated Schedule A reporting, and other important DLS computer projects.

The 1988 Exposition will take place at the Best Western Royal Plaza in Marlborough (On Rte. 20 near I-495) from 10:00 a.m. to 8:00 p.m. Advance registration is not required, but a small registration fee will be collected at the door. For further information, please contact Sheldon Cohen at MMA (617) 426-7272.

The Latest in Financial Management Assistance

The Municipal Data Management and Technical Assistance Bureau (MDM/TAB) offers consulting services to cities and towns on a wide range of municipal finance topics. All management analysis and assistance are provided at no charge to the community.

Carver: Review of Assessing Operations

Members of the Division's Bureau of Local Assessment and Technical Assistance Bureau met with town officials to review the operations of the Carver Assessing Office. The Division's management consulting team made recommendations to address the following findings: office space needs, tax map revisions, parcel data quality, and staff turnover.

Tyngsborough: Revenue and Expenditure Forecast

The Municipal Data Management and Technical Assistance Bureau completed a five year forecast of Tyngsborough's revenues and expenditures. The forecast projected the costs in FY89 - FY93 of maintaining the FY88 level of services and the revenues available to fund these costs.

Dedham: FY89 Budget Analysis and Recommendations for Enhancing Revenues

At the request of the Dedham Board of Selectmen, the Division of Local Services prepared a financial analysis to determine the extent of the town's projected shortfall for FY89 and to make recommendations for the enhancement of the town's revenues. The analysis included a projection of the costs in FY89 of maintaining current revenue sources, and recommendations for revenue enhancement in FY89.

* * * * *

CITY & Town a publication of the Massachusetts Department of Revenue's Division of Local Services, is published 11 times per year. The Division is responsible for the oversight and assistance to cities and towns in achieving equitable property taxation and efficient fiscal management.

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CITY & Town



Stephen W. Kidder
Commissioner

Edward J. Collins, Jr.
Deputy Commissioner

GOVERNMENT DOCUMENTS
COLLECTION

JUN 6 1988

Local Profile

Mary Hale, President
Massachusetts Municipal Association

Mary Hale was appointed President of the Massachusetts Municipal Association last November. The MMA provides cities and towns with information on laws and regulations that affect them, as well as acting as a voice through which to present issues to the legislature and the Governor.

Ms. Hale's primary goal is to let Massachusetts selectmen know that the MMA works closely with state and federal agencies to provide municipalities with the guidance and professional advice its President insists is seriously needed. "If one selectman from each town called the MMA once this year, I would be happy."

This tremendous need, according to Ms. Hale, is because smaller towns, for example, lack the advantage of cities where the mayor's staff can gather information and state their case before the legislature. "They (the selectmen) have full-time jobs. They don't have time to do their own lobbying. We are here to do it for them. They need the MMA. If we got a call from each selectman, it would show me they know we're here for them to use."

According to Ms. Hale, local officials need to seek out the MMA because the MMA doesn't know which communities are in need of help. MMA's toll free number for selectmen to call for assistance is 1-800-882-1498. If a caller asks a question that can't be answered imme-

diately, the MMA will undertake the necessary research and get back to the caller with an answer within 24 hours.

In addition to her role as MMA President, Mary Hale is President of the Berkshire County Selectmen Association and Vice President of the Massachusetts Selectmen Association. She was chairwoman of the Berkshire County Advisory Board for many years and since 1980, has been a selectman in Tyringham where she has lived for 40 years. She is a co-founder of the Tyringham Landowners Association, organized to protect landowners from "out-of-town" hunters who cause damage to their land. She also participated in the formation of the Berkshire County Charter Revision Commission. This group was developed this year and is one of several across the Commonwealth. These various committees call for legislation to examine county government and update county charters.

Mary Hale has been employed at the Berkshire Life Insurance Company as Assistant to the Vice President of Marketing for 23 years.

DLS Accountant Receives MSCPA Gold Medal

Christine Novak, an accountant with the Division of Local Services, was recently awarded a gold medal by the Massachusetts Society of Certified Public Accountants (MSCPA). The MSCPA, an organization which strives to develop and preserve professional accounting standards, awards the gold medal to the accountant who scores the highest at a first sitting of the CPA Exam. Christine accomplished this feat in taking the May Massachusetts CPA Exam and was presented her medal at the Society's Annual Recognition Banquet on April 20th.

Revenue Commissioner Stephen W. Kidder joined Edward J. Collins, Jr., Deputy Commissioner of DLS and Christine's colleagues in congratulating her at a recent gathering at the Division's Boston office. "Christine is a proud example of the caliber of people that make the DOR the professional

State agency it is," Commissioner Kidder said. "Ms. Novak's achievement reinforces my belief that we are providing municipal governments with top quality financial services."

Deputy Commissioner Collins emphasized the fact that he and the entire DLS staff were very impressed with Christine's accomplishment. "I'd like to spread the word about this achievement to local officials and taxpayers so they'll know they have a valuable resource in talented professionals like this who work for the Department of Revenue."

Ms. Novak has been an accountant in the Bureau of Accounts Worcester Regional Office since last January. Christine Novak received her degree in Mathematics from the Massachusetts Institute of Technology in 1984. Prior to joining the Department of Revenue, she was employed with Peat, Marwick, Main and Company.



JUNE 7 - Classification Training Workshop; Taunton High School from 6:45 to 9:30 p.m.

JUNE 9 - Classification Training Workshop; Natick from 6:45 to 9:30 p.m.

From the Bureau of Local Assessment

Proposed 1988 Equalized Valuation (EQVs) for each city and town will be issued on June 1. Assessors may schedule hearings to present additional information to the Bureau of Local Assessment before final valuations are established by the Commissioner on July 20, 1988.

EQVs are determined by the Commissioner every even-numbered year and are an estimate of the fair cash value of all taxable property in each municipality. The 1988 valuations will be used in the allocation of certain state aid and county assessments for fiscal years 1990 and 1991.

MUNICIPAL FISCAL CALENDAR

JUNE 1 - Department of Revenue: Mails written notice of proposed Equalized Valuations (EQVs) to assessors

JUNE 1 - City, Town, and District Clerks: Deadline for submission of certified appropriations to municipal treasurers, assessors and accountants.

JUNE 10 - Department of Revenue: A public hearing is held on proposed EQVs.

JUNE 15 - Assessors: Deadline for appealing Commissioner's telephone and telegraph companies' personality.

JUNE 20 - Assessors: Final date to make omitted or additional assessments (This deadline may be adjusted if tax bills are delayed.)

JUNE 30 - Department of Revenue: Audits of selected communities are completed in accordance with required standards.

JUNE 30 - Municipal and District Treasurers/Accounting Officers: At the close of FY88, send financial reports (balance sheets and other data) to the Department of Revenue for calculation of free cash.

JUNE 30 - Assessors: Last day for submission of requests for current FY reimbursements of exemptions granted under the various clauses of Ch. 59, s. 5.

FOCUS

A regular supplement to CITY & Town on topics of municipal finance.

* * * * *

ROOM OCCUPANCY REVENUES

This issue of CITY & Town FOCUS provides information on the local option room occupancy ("hotel-motel") excise. Authorization of this excise (along with the jet fuel excise) by the legislature in 1985 was an historic event — enabling the Commonwealth's cities and towns to tap an "own-source" revenue other than the property tax and the motor vehicle excise.

Cities and towns are able to impose a local option hotel-motel excise of up to 4% in addition to the regular State room tax of 5.7%. The Department of Revenue administers the excise on behalf of adopting communities, distributing the collected money

twice each year (in June and December) to be used as a local estimated receipt by municipalities. All of the revenue collected on behalf of each adopting community is returned to that community.

In order to assist communities in determining the amount of revenue that could be collected under a local option hotel-motel excise, the Department of Revenue's Bureau of Analysis, Estimation, and Research (BAER) estimates the amount of state room occupancy excise collected from each locality during FY87 (July 1, 1986 to June 30, 1987).

FINDINGS

Of the 351 communities in Massachusetts, 231 or 66% have at least one hotel, motel, or lodging house within their boundaries. As of April 1, 1988 a total of 84 communities in the Commonwealth had adopted the hotel-motel excise. Of these communities, 82 contain hotels, motels, or lodging houses, representing 35% of the total number of communities statewide that are eligible to receive revenues from the excise. Only 4 communities currently have an excise rate of less than 4%; 5 of the 9 communities that originally adopted the excise at rates of less than 4% have since increased the rate to the full 4% allowed by law.

The estimated hotel-motel tax revenue of the 231 communities with hotel-motel capacity totals \$32.7 million annually (calculated with all communities adopting at 4%). For those communities that have adopted the excise, hotel-motel revenue ranges from less than .00% to 6.38% of local spending, averaging .69%. For those communities that have not adopted the excise, hotel-motel revenue ranges from less than .00% to 15.91% of local spending, averaging .12%. In the aggregate, those communities able to receive the greatest financial benefit have already moved to adopt the hotel-motel excise. However, it is estimated that if the 149 communities that have not yet adopted the excise did so, their combined total hotel-motel revenues would be \$4.2 million.

Since August of 1985, when the first community adopted the hotel-motel excise, \$48.4 million has been returned to communities in five distributions.

In cases of cities or towns with only one or two operators, BAER substituted a letter code signifying a dollar range for the sake of taxpayer confidentiality. We use the midpoint of these ranges for each of the estimates. In addition, we provide estimates for each community based on adoption of the local option excise at the full 4% allowed.

These estimates reflect payments of past tax liabilities, penalties, and interest which might not be owed to a city or town under the more recent local option hotel-motel excise. In communities where significant room occupancy audit activity occurred, estimates may reflect increased payment of past liabilities.

Chart 1 on page 4 shows communities' hotel-motel eligibility and participation statewide; chart 2 shows estimated annual hotel-motel revenue as a percent of spending for adopting and non-adopting communities. The printout shows FY87 hotel-motel estimates, FY87 total spending, and estimated hotel-motel revenue as a percent of spending by community.

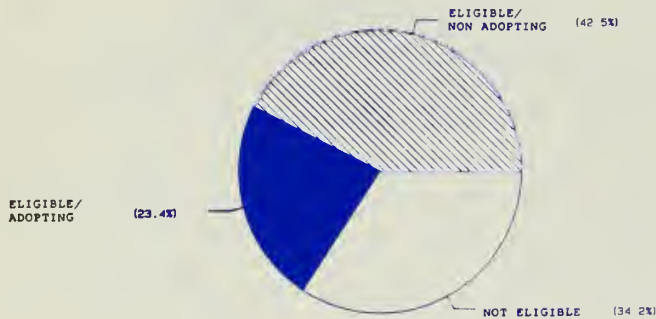
(continued on the next page)

Room Occupancy Revenues: Findings (continued from previous page)

A zero (0) signifies that according to Department of Revenue records, no operator in this city or town remitted any room occupancy excise in FY87. An asterisk (*) denotes that an establishment in a city or town crosses the boundary into another locality. In such cases, the hotel-motel revenues the community could actually receive from this establishment will vary depending on whether or not the bordering locality has also adopted the excise. For the purposes of this data, state hotel-motel revenues collected from establishments crossing community lines have been divided equally among the affected communities. An (A) indicates that as of April 1, 1988 the community so noted has adopted the local option hotel-motel excise.

Chart 1

THE HOTEL MOTEL EXCISE
COMMUNITY ELIGIBILITY AND PARTICIPATION



TOTAL: 351

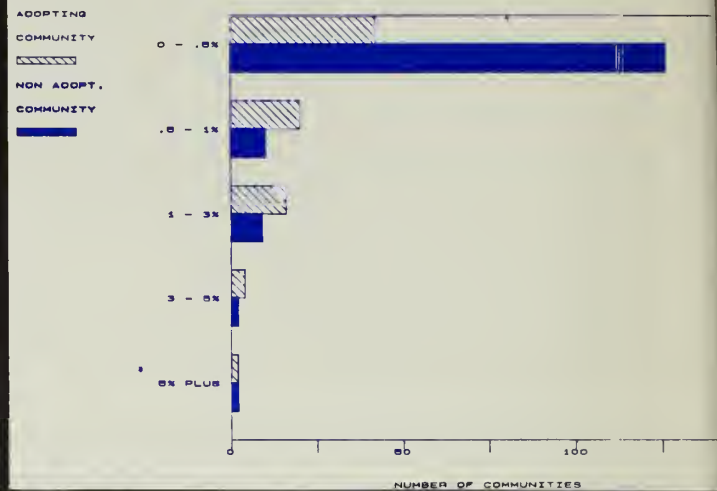
RESOURCES

o For a copy of the *Room Occupancy Revenue Report for the 351 Cities and Towns, Fiscal Year 1987*, contact the Bureau of Analysis, Estimation, and Research, Massachusetts Department of Revenue, 100 Cambridge Street, Room 800, Boston MA 02204; (617) 727-7702.

o For a copy of *The Local Option Hotel-Motel Tax. A Report on the Experience of Massachusetts Communities in Adopting the Local Room Occupancy Excise*, contact the Analysis Unit, Division of Local Services, Massachusetts Department of Revenue, P.O. Box 7015, Boston MA 02204; (617) 727-2300.

Chart 2

THE HOTEL-MOTEL EXCISE
ESTIMATED ANNUAL REVENUE AS A PERCENT OF LOCAL SPENDING



CITY & Town FOCUS is jointly developed by the Analysis Unit and the Municipal Data Management/Technical Assistance Bureau of the Division of Local Services. This issue of **CITY & Town FOCUS** was prepared by Julie Slavet and Leslie Kirwan of the Analysis Unit and John Sanguinet of MDM/TAB. For more information, call the Analysis Unit at 727-2300 or MDM/TAB at 727-9260.

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Potential Impact of Hotel-Motel Revenue: Adopting and non-Adopting Communities

[illegible]

Potential Impact of Hotel-Motel Revenue: Adopting and non-Adopting Communities

CITY/TOWN	FY87 HOTEL-MOTEL ESTIMATE	FY87 TOTAL SPENDING	HOTEL/MOTEL AS % OF SPENDING	CITY/TOWN	FY87 HOTEL-MOTEL ESTIMATE	FY87 TOTAL SPENDING	HOTEL/MOTEL AS % OF SPENDING	CITY/TOWN	FY87 HOTEL-MOTEL ESTIMATE	FY87 TOTAL SPENDING	HOTEL/MOTEL AS % OF SPENDING
MEHUEN	\$13,204	\$40,567,524	0.03%	PRINCETON	\$3,000	\$2,736,397	0.11%	TYNGBOROUGH	\$0	\$7,001,401	0.00%
MIDDLEBOROUGH	\$4,316	\$19,223,786	0.02%	PROVINCETOWN	\$393,924	\$10,537,157	3.74%	TYRINGHAM	\$1,000	\$477,226	0.21%
MIDDLEFIELD	\$0	\$324,919	0.00%	QUINCY	\$76,964	\$110,681,897	0.07%	UPTON	\$3,000	\$3,012,792	0.10%
MIDDLETON*	\$100,000	\$5,408,830	1.85%	RANDOLPH	\$180,000	\$33,826,292	0.53%	UXBRIDGE	\$10,000	\$8,257,018	0.12%
MILFORD	\$122,428	\$28,300,977	0.43%	RAYNHAM	\$100,000	\$9,033,669	1.11%	WAKEFIELD	\$180,000	\$33,142,576	0.54%
MILLBURY	\$1,000	\$11,803,382	0.01%	READING	\$0	\$29,501,464	0.00%	WALES	\$0	\$1,147,788	0.00%
MILLIS	\$0	\$8,229,911	0.00%	REHOBOTH	\$1,000	\$7,345,515	0.01%	WALPOLE	\$10,000	\$23,606,906	0.04%
MILLVILLE	\$0	\$949,517	0.00%	REVERE	\$76,900	\$50,250,030	0.15%	WALTHAM	\$257,260	\$71,940,051	0.36%
MILTON	\$28,405,459	\$28,405,459	0.00%	RICHMOND	\$3,000	\$1,551,428	0.19%	WARE	\$9,245,263	\$9,245,263	0.03%
MONROE	\$0	\$279,650	0.00%	ROCHESTER	\$3,000	\$3,257,540	0.09%	WAREHAM	\$24,384	\$21,342,596	0.11%
MONSON	\$1,000	\$7,046,937	0.01%	ROCKLAND	\$60,000	\$18,462,939	0.32%	WARREN	\$0	\$3,509,510	0.00%
MONTAGUE	\$3,000	\$6,717,192	0.04%	ROCKFORD	\$156,160	\$8,916,019	1.73%	WASHINGTON	\$1,000	\$678,250	0.15%
MONTGOMERY	\$1,000	\$1,069,708	0.09%	ROWE	\$0	\$1,921,639	0.00%	WASHWICK	\$486,401	\$486,401	0.21%
MONTGOMERY*	\$0	\$546,941	0.00%	ROWLEY	\$1,000	\$4,122,444	0.02%	WATERLOO	\$28,000	\$42,297,259	0.07%
MT. WASHINGTON	\$0	\$248,537	0.00%	ROYALSTON	\$0	\$618,951	0.00%	WAYLAND	\$0	\$19,679,412	0.00%
NAHANT	\$0	\$4,816,857	0.00%	RUSSELL	\$1,000	\$1,291,944	0.08%	WEBSTER	\$10,000	\$14,388,413	0.07%
NATICK	\$458,732	\$14,973,077	3.06%	RUTLAND	\$0	\$4,483,381	0.00%	WELLESLEY	\$60,000	\$37,349,846	0.16%
NATICK*	\$384,360	\$38,638,291	0.99%	SALEM	\$61,884	\$56,266,230	0.11%	WELLSLEY	\$63,340	\$3,892,520	1.63%
NEEDHAM	\$28,000	\$50,727,617	0.06%	SALISBURY	\$48,512	\$6,101,202	0.80%	WENDELL	\$0	\$705,576	0.00%
NEW ASHFORD	\$30,344	\$190,724	15.91%	SANDISFIELD	\$732	\$1,018,221	0.07%	WENHAM	\$0	\$3,809,812	0.00%
NEW BEDFORD	\$107,422,872	\$107,422,872	0.04%	SANDWICH	\$98,340	\$15,262,928	0.64%	WEST BOYLSTON	\$27,144	\$6,559,983	0.41%
NEW BRAintree	\$0	\$593,279	0.00%	SAUGUS*	\$78,716	\$31,574,545	0.25%	WEST BRIDGEWATER	\$1,000	\$7,980,007	0.01%
NEW HARBOROUGH	\$3,000	\$1,045,928	0.29%	SAVOY	\$0	\$556,384	0.00%	WEST BROOKFIELD	\$10,000	\$2,530,376	0.40%
NEW SALEM	\$0	\$614,193	0.00%	SCITUATE	\$17,348	\$21,978,925	0.08%	WEST NEWBURY	\$30,576	\$39,389,373	0.08%
NEWBURY	\$0	\$4,630,373	0.00%	SEEKONK	\$177,380	\$13,289,197	1.33%	WEST SPRINGFIELD	\$335,724	\$30,962,123	1.08%
NEWBURYPORT	\$33,844	\$20,838,974	0.16%	SHARON	\$57,192	\$17,958,752	0.32%	WEST STOCKBRIDGE	\$10,380	\$1,147,490	0.90%
NEWTON	\$1,090,372	\$131,678,317	0.83%	SHEFFIELD	\$8,472	\$2,387,033	0.35%	WEST TISSURY	\$8,416	\$2,994,110	0.28%
NORFOLK	\$37,132	\$8,270,014	0.45%	SHELBURNE	\$4,516	\$1,658,684	0.27%	WESTON	\$48,048	\$19,919,741	0.24%
NORTH ADAMS	\$37,132	\$17,267,135	0.22%	SHERBORN	\$0	\$6,478,778	0.00%	WESTFIELD	\$30,576	\$39,389,373	0.08%
NORTH ANDOVER	\$28,000	\$23,927,135	0.12%	SHIRLEY	\$0	\$4,606,820	0.00%	WESTFORD	\$60,000	\$18,090,286	0.33%
NORTH ATTLEBOROUGH	\$50,960	\$23,088,235	0.22%	SHREWSBURY	\$39,164	\$24,630,772	0.16%	WESTHAMPTON	\$0	\$1,090,873	0.04%
NORTH BRIDGEMOUNT	\$0	\$4,421,524	0.00%	SHUTESBURY	\$0	\$1,025,951	0.00%	WESTMINSTER	\$28,000	\$4,090,448	0.07%
NORTH BRIDGEMOUNT	\$1,000	\$14,714,330	0.01%	SDERSET	\$65,892	\$23,462,049	0.28%	WESTON	\$0	\$20,646,337	0.00%
NORTHAMPTON	\$113,408	\$31,023,601	0.37%	SOMERVILLE	\$140,000	\$90,844,826	0.15%	WESTPORT	\$2,656	\$12,631,180	0.02%
NORTHAMPTON*	\$100,000	\$14,236,635	0.70%	SOUTH ADLEY	\$0	\$13,643,353	0.00%	WESTWOOD	\$10,000	\$21,941,852	0.05%
NORTHBRIDGE	\$3,000	\$12,331,384	0.02%	SOUTHAMPTON	\$0	\$3,628,001	0.00%	WEYMOUTH	\$28,000	\$62,611,031	0.04%
NORTHFIELD	\$2,792	\$2,385,452	0.12%	SOUTHBRIDGE	\$60,000	\$8,964,061	0.67%	WHATELY	\$4,348	\$1,191,081	0.37%
NORTHON	\$0	\$14,805,709	0.00%	SOUTHBRIDGE	\$0	\$17,104,530	0.00%	WILMANTON	\$10,000	\$14,254,245	0.07%
NORWELL	\$8,876	\$13,352,646	0.07%	SOUTHWICK	\$1,000	\$7,881,913	0.01%	WILMANTON	\$10,000	\$12,916,128	0.08%
NORWOOD	\$140,000	\$57,039,819	0.25%	SPENCER	\$1,000	\$5,225,826	0.02%	WILLIAMSBURG	\$1,000	\$2,017,891	0.05%
OAK BLUFFS	\$54,348	\$5,119,233	1.06%	SPRINGFIELD	\$145,724	\$214,149,873	0.07%	WILLIAMSTOWN	\$173,108	\$7,869,281	2.20%
OAKHAM	\$0	\$874,705	0.00%	STERLING	\$0	\$6,104,275	0.00%	WILMINGTON	\$0	\$27,123,239	0.00%
ORANGE	\$10,000	\$6,489,908	0.15%	STOCKBRIDGE	\$118,756	\$3,308,737	3.59%	WINCHESTER	\$3,000	\$8,294,211	0.04%
ORLEANS	\$140,988	\$9,061,195	1.56%	STONEHAM	\$3,000	\$26,886,466	0.01%	WINCHESTER	\$0	\$30,225,265	0.00%
OTIS	\$10,000	\$1,436,116	0.00%	STOUGHTON	\$3,000	\$31,253,086	0.01%	WINDSOR	\$0	\$374,037	0.00%
OXFORD	\$0	\$13,873,612	0.00%	STON	\$0	\$6,224,059	0.00%	WINTHROP	\$10,000	\$18,301,133	0.05%
PALMER	\$1,000	\$10,519,050	0.01%	STURBRIDGE	\$384,748	\$6,987,724	5.51%	WOBURN	\$506,468	\$46,605,483	1.09%
PAINTON	\$0	\$3,293,495	0.00%	SUDBURY	\$28,000	\$21,662,059	0.13%	WOBURN	\$448,036	\$220,724,188	0.20%
PEABODY	\$268,060	\$61,225,084	0.44%	SUNDERLAND	\$0	\$1,822,750	0.00%	WORTHINGTON	\$1,000	\$794,006	0.13%
PELHAM	\$0	\$1,066,622	0.00%	SUTTON	\$28,000	\$5,936,960	0.47%	WRENTHAM	\$10,000	\$7,775,217	0.13%
PENBRIDGE	\$0	\$13,762,627	0.00%	SWAMPSCOTT	\$10,000	\$17,308,301	0.06%	YARMOUTH	\$927,884	\$21,297,486	4.36%
PEPPERELL	\$0	\$7,218,880	0.00%	SWANSEA	\$1,000	\$14,058,220	0.01%				
PERU	\$0	\$636,294	0.00%	TAUNTON	\$1,000	\$54,585,579	0.00%				
PETERSHAM	\$1,000	\$979,166	0.10%	TEMPLETON	\$0	\$3,743,484	0.00%	Adopted Total	\$28,526,088	\$4,152,512,471	0.69%
PHILLISTON	\$1,000	\$554,622	0.18%	TEWKSBURY	\$149,836	\$29,999,224	0.50%	Not Adopted Total	\$33,596	\$49,434,910	0.69%
PITTSFIELD	\$157,256	\$60,265,160	0.26%	TISBURY	\$49,584	\$5,051,566	0.98%	Avg Adopted	\$4,218,796	\$3,508,266,121	0.12%
PLAINFIELD	\$0	\$586,579	0.00%	TOLLAND	\$1,000	\$481,630	0.21%	Avg Non Adopted	\$15,801	\$13,132,083	0.13%
PLAINVILLE	\$3,000	\$5,887,311	0.05%	TOPSFIELD	\$0	\$6,284,724	0.00%	State Totals	\$32,744,884	\$7,658,798,592	0.43%
PLYMOUTH	\$254,152	\$48,394,714	0.53%	TOWNSEND	\$1,508	\$5,384,140	0.03%	State average	\$93,290	\$21,819,939	0.43%
PLYMPTON	\$0	\$2,171,715	0.00%	TRURO	\$175,664	\$2,754,463	6.38%				

RETROACTIVE GROWTH

During the Summer and Fall of 1987, the Division of Local Services provided Massachusetts cities and towns a second opportunity to report Property Tax Base Growth for retroactive certification and adjustments to local tax levy limits.

Proposition 2 1/2 allows a city or town to increase its maximum levy limit annually by 2.5%, plus an additional amount based upon the valuation of certain new construction and other growth in the tax base that does not result from property revaluation. The purpose of this provision is to compensate communities for additional costs associated with new development.

The past practice of the Division has been to allow a community to report growth and have its levy limit adjusted only if all information were submitted prior to the setting of the tax rate for the year in question. Although many communities made regular use of this provision, a significant number of communities did not report growth for one or more years. In the Spring of 1986, upon recognizing that the revenue capacity of these communities may have been severely limited by their failure to report growth, the Division authorized an initial opportunity for assessors to submit previously unreported growth from Fiscal Years 1983 to 1986.

In this first program, 119 cities and towns reported a total of 420 years of retroactive growth. The total growth in assessed valu-

ations "captured" in that certification round was \$689 million, allowing for an estimated \$20 million increase in the FY87 levy limits of participating communities.

Prompted by the success of the initial round of retroactive certifications, the Division provided communities with a second opportunity to report growth from past years. The deadline for the second round was September 30, 1987. In this recent program, 79 communities out of 100 eligible to submit growth did so, reporting a total of 148 years of growth. The total amount of growth in assessed valuations captured in the certification was \$488 million. The resulting increase in the levy limits of participating communities is a total of \$12.4 million, bringing the total levy limit increase from the two rounds of retroactive certification to approximately \$34 million in FY88.

The Division's Bureau of Local Assessment, particularly its regional office in Springfield, assisted many communities in gathering the necessary documentation to support the requests for retroactive certification.

As a result of the two rounds of retroactive growth certification, very few communities now have unreported growth from previous years. In Fiscal Year 1988, assessors were required to submit new growth information as a routine part of the tax-rate setting process.

EOCD Requests Incentive Aid Proposals

The Executive Office of Communities and Development (EOCD) has issued its FY89 Request for Proposals for Incentive Aid Grants for management improvement programs by cities, towns and school districts. These grants partially fund salaries for professional positions within or shared between municipalities. Positions as financial or budget officers and shared deputy assessor/appraisers are specifically mentioned by the EOCD as examples of jobs that may be supported by such grants.

First round applications were due at the end of May, but applications for the second round of funding may be submitted prior to September 30, 1988. Further information may be obtained from the EOCD Incentive Aid Staff, Room 904, 100 Cambridge Street, Boston, MA 02202, (617) 727-3253.

The following is an update of the status of the Division of Local Services' 1988 legislative package:

Four of our bills have passed the Senate and are now in Third Reading in the House. These are: **H. 248**, which would allow municipalities to charge interest on local charges and bills; **H. 256**, which makes clarifying amendments to the law concerning local tax bills and abatements; **H. 259**, which would clarify the definition and timing of the update to available funds; and **H. 261**, which would improve the collection of local taxes by allowing use of collection agencies, and by clarifying the duties of deputy collectors.

Three bills which were given a favorable report by the Joint Committee on Taxation are now before the Senate Committee on Ways and Means. These are: **H. 245**, which makes certain corrective changes; **H. 253**, which would rewrite Clause 50 of Section 5 of Chapter 59, the property tax exemption for improvements to residential property to house the elderly; and **H. 263**, which makes corrective changes to the taxation of land classified as agricultural or horticultural and recreational.

H. 251 and **H. 262** were given favorable reports by the Taxation Committee and are also in the Senate: **H. 251** would make clarifying changes to two special funds, the law enforcement trust fund and the work detail fund; and **H. 262** would give collectors 20 days to prepare municipal lien certificates.

Three bills were heard by the Committee on Local Affairs. **H. 249**, which makes changes to the enterprise fund law, is now in House Third Reading. **H. 252**, which would extend the compensating balance agreement law to counties and allow three year agreements was given a favorable report by the Committee and was referred to House Counties. **H. 250**, which allows State House notes to be used by cities, has been heard, but has not yet been voted on by the Committee.

The remainder of our bills have been given a favorable report by the Taxation Committee and are on their way to the Senate. These are: **H. 254**, making changes to local assessing practices, such as allowing assessors to make omitted and revised assessments without prior DOR approval; and **H. 258**, which clarifies the definition of "new growth" under Proposition 2 1/2.

CITY & Town, a publication of the Massachusetts Department of Revenue's Division of Local Services, is published 11 times per year. The Division is responsible for the oversight and assistance to cities and towns in achieving equitable property taxation and efficient fiscal management.

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CITY & Town



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Division of Local Services

Stephen W. Kidder
Commissioner

GOVERNMENT DOCUMENTS
COLLECTION

Edward J. Collins, Jr.
Deputy Commissioner

JUL 19 1988

THE SINGLE AUDIT ACT

In 1984, Congress passed the Single Audit Act. This federal statute was intended to eliminate duplication in the audit of federal grant programs. Since the key to any audit is the review of administrative and accounting internal controls, auditors for various programs reviewed the same controls over and over again. In contrast, the Single Audit reviews these controls and simultaneously determines the level of reliance that can be placed on them for all grant programs.

The need to assure the quality of the effort for successful implementation of the Single Audit prompted studies by the General Accounting Office and the American Institute of Certified Public Accountants. These studies demonstrated that audit quality is ensured through a sound audit procurement process and a quality review of the report and substantiating working papers.

If the audit is properly procured and if a quality review is performed, there is a strong possibility that the audit has been conducted in accordance with professional standards and is thus a useful management tool for local officials.

The Bureau of Accounts has established the Audit Procurement Unit and the Audit Quality Control Unit to ensure proper procurement and quality review performance in Massachusetts. The Audit Procurement Unit has produced a manual which details how to procure an audit, what auditors do and how to interact with them, and what to do with the final report. This manual was reviewed in draft by knowledgeable professionals in the field and includes all aspects of federal legal requirements.

The Audit Quality Control Unit reviews audit reports received by the Bureau. Field visits to review the working papers of individual accounting firms have begun and we plan to review all firms with a significant number of

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engagements in Massachusetts as well as any firms identified as posing problems in the audit report review. In addition, the Bureau has participated in two joint quality reviews with the U.S. Department of Education and has cooperated with federal agencies to reduce any duplication of effort. In a very few instances, firms were required to redraft the report and/or perform additional audit work to ensure compliance with professional standards. In all cases, the firms have been accommodating and performed all work required by the Bureau of Accounts.

Integration of the audit effort into a community's financial system is the most important step toward improving financial management. The audit report is a valuable management tool for developing and implementing a corrective action plan and ultimately, for improving services.

To promote the use of the audit report in this regard, the Bureau has established the Municipal Management Improvement Unit to 1) analyze all reports submitted to the Bureau, 2) identify the proper response to the issues in the report and 3) develop a corrective action plan. Communities wishing our assistance can call the Bureau and we will set up appointments at their convenience. In a few instances, the severity of the problems are such that the Bureau will contact the community directly and require a corrective action plan. Lack of communication and confusion over specific responsibilities cause many problems in communities. In this area, we anticipate that the Bureau can assist in getting all the "fiscal players" to understand their roles in relation to the Single Audit Act.

The Single Audit is alive and well in Massachusetts. Over 200 communities have received Single Audit reports which meet the basic legal requirements, and all parties involved demonstrate a positive spirit in making the Single Audit work.

Mayoral Approval of a Commercial Contract

Vendors who contract with cities and towns cannot expect to recover in the event of a conflict unless that contract strictly adheres to municipal charters according to a recent Supreme Judicial Court decision on *United States Leasing Corporation v. City of Chicopee*, 402 Mass 228 (1988).

In 1977, United States Leasing Corporation leased a computer system to the City of Chicopee in return for five annual \$24,000 payments. The school committee approved the agreement and a contract was signed by the superintendent of schools and the purchasing agent. In addition, U.S. Leasing provided another form stating that the persons signing the agreement were authorized to do so and that the city could bind itself by signing the lease. This form was signed by Chicopee's city solicitor.

After Chicopee made the first two annual payments, problems with the computer system developed so the city refused to make further payments. On December 10, 1981, U.S. Leasing filed a complaint in Superior Court alleging breach of contract by the City and claimed that Chicopee violated Chapter 93A of the General Laws by engaging in unfair and deceptive practices.

The City of Chicopee defended itself by arguing that the contract had not been signed by the mayor, a stipulation required by the city's charter. The mayor *had* signed warrants authorizing the payment of the first two of the five installments, but this did not fulfill the charter requirement that the original contract receive the mayor's approval in order to bind Chicopee to the agreement.

In the autumn of 1985, U.S. Leasing moved to amend its complaint, seeking to add the city solicitor and the school committee as defendants. The solicitor's negligence would be the liability of the city and the school committee. This motion was denied.

U.S. Leasing argued two facets of its contract claim. It cited *Leonard v. School Committee of Springfield*, 241 Mass 325 in arguing that, historically, school committees have the independence and authority to act "above" the city charter requirements in purchasing equipment. Thus, Chicopee's school committee bound the city under the lease without mayoral approval, despite the city charter's requirement of such approval.

The second argument was that by signing warrants authorizing payment of the first two annual installments, the mayor approved the contract. The Court found the plaintiff wrong on both counts. The school committee can only contract independent of charter based fiscal management provisions when acting in an area directly related to the "methods of education or the policy, conduct, regulation and discipline of schools." The contract in question was determined to be an ordinary commercial contract which does not bring into consideration the committee's area of exclusive control. The mayor's approval of the lease agreement was required for the agreement to become binding on the city. The mayor's signing of the payment warrants was found to be "implicit mayoral approval of a contract" and the court consistently denies entreaties to find "implicit approval" where the required "explicit approval" was lacking. The mayor's signed recommendation to the board of aldermen that payment be made according to the contract was not sufficient as mayoral approval of the contract.

U.S. Leasing complained that the signing of the contract by the superintendent and the purchasing agent, and the signing of the later form by the city solicitor were actions that led the plaintiff into believing it had entered into a valid contract - thus, Chicopee's actions were unfair and in violation of the Consumer Protection Act. The Court ruled that the City did not violate Chapter 93A because the contracting of U.S. Leasing for a computer system by Chicopee officials did not mean that the City was engaged in "trade or commerce", which is required if one is to be held liable under the Act.

U.S. Leasing Corporation v. City of Chicopee was not the first case to emphasize the fact that "one dealing with a city or town cannot recover if statutory requirements such as those contained in the city's charter have not been observed." But the decision rendered in this case and in others like it is based on the fact that provisions in statutes and municipal charters which restrict the expenditure of municipal funds are there to keep the financial foundations of cities and towns sound and to prevent waste, fraud and abuse. It is up to private firms engaging in agreements with cities and towns to consider the charters of the communities with which they contract.

FOCUS

A regular supplement to CITY & Town on topics of municipal finance.

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FREE CASH

This issue of **CITY & Town FOCUS** examines what is sometimes viewed as one of the least understood concepts in Massachusetts municipal finance - "Free Cash." This month, the Division's Bureau of Accounts begins the process of certifying the free cash, as of July 1st, 1988 of cities and towns. This **FOCUS** defines free cash, provides a brief history of free cash statewide since FY81, and displays free cash certified as of July 1st, 1985, 1986, and 1987 for each community for purposes of comparison.

A community's free cash is the amount of funds it has that are unrestricted and available for appropriation. Free cash is generated when a community's actual revenue collections are in excess of estimates and actual expenditures and encumbrances are less than budgeted amounts.

Free cash may be used to fund appropriations at the annual town meeting or a special town meeting. It provides communities with a certain flexibility in that it is the major source of funding for a supplemental appropriation after the establishment of the annual budget via the tax rate approval process.

The amount of free cash is certified by the Division's Bureau of Accounts as of July 1st each year, with the process beginning as soon as a community has submitted a balance sheet covering transactions through the close of business on June 30th. With the Bureau's approval, free cash may

subsequently be updated to reflect the collection of prior year's property taxes. Communities may and frequently do appropriate some or all of their free cash to support operations during the year. Free cash may only be used after certification by the Bureau of Accounts.

A community may be certified as having *negative* free cash, also known as a free cash deficit. This means that its revenue collections are less than estimates, or expenditures are in excess of budgeted amounts. A community does not have to raise this amount in the next fiscal year as it does an overlay deficit; however, negative free cash should be a warning sign to local officials of a collections problem or a budgeting/forecasting problem that should be addressed through the implementation of management improvements.

To the extent that a community does not appropriate funds from free cash over the course of a fiscal year, any positive balance remaining rolls forward into the calculation of free cash certified at the beginning of the next fiscal year. Likewise, a negative balance rolls forward into the calculation of the next year's free cash.

FINDINGS

Between FY81 and FY87, the total amount of positive free cash certified as being available in communities statewide on July 1st rose from **\$168.4 million** to **\$361.9 million**, an increase of **114.8%**. Over the same period, total free cash deficits dropped from **\$143.6 million** to **\$2.9 million**. Between FY81 and FY87, the number of negative free cash communities decreased from **63** to **nine**, while the number of communities with positive free cash increased from **282** to **334**.

The first chart on page 4 shows total statewide FY87 positive free cash as a percent of total statewide FY87 spending. The second chart shows total

statewide changes in positive and negative free cash from FY81 through FY87. The printout shows, by community, the following: free cash certified as of July 1st, 1985, July 1st, 1986, and July 1st, 1987; total spending; and free cash as a percent of total spending.

CITY & Town FOCUS is jointly developed by the Analysis Unit and the Municipal Data Management/Technical Assistance Bureau of the Division of Local Services. This issue of **CITY & Town FOCUS** was prepared by Leslie Kirwan and Julie Slavet of the Analysis Unit and John Sanguinet and Roger Hatch of MDM/TAB. For more information, call the Analysis Unit or MDM/TAB at 727-2300.

Chart 1

FY87 FREE CASH VS. TOTAL SPENDING
STATE TOTALS

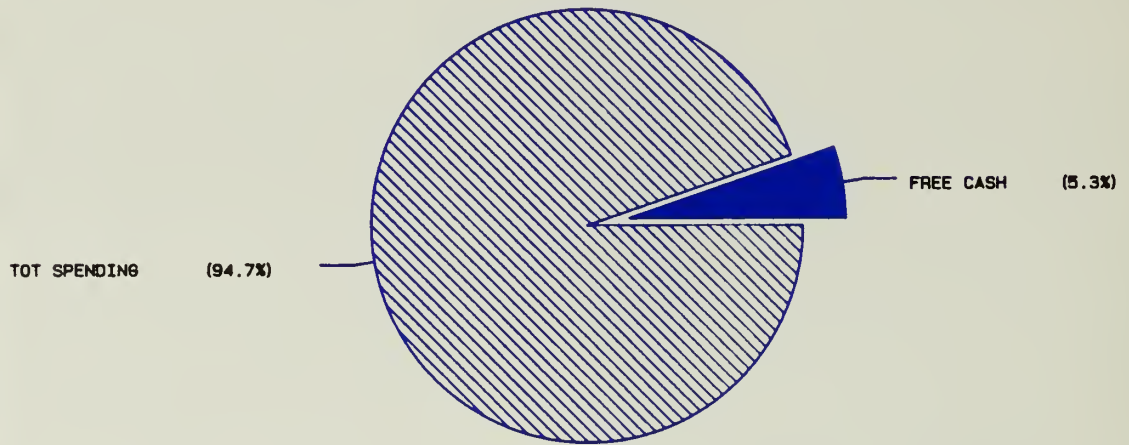
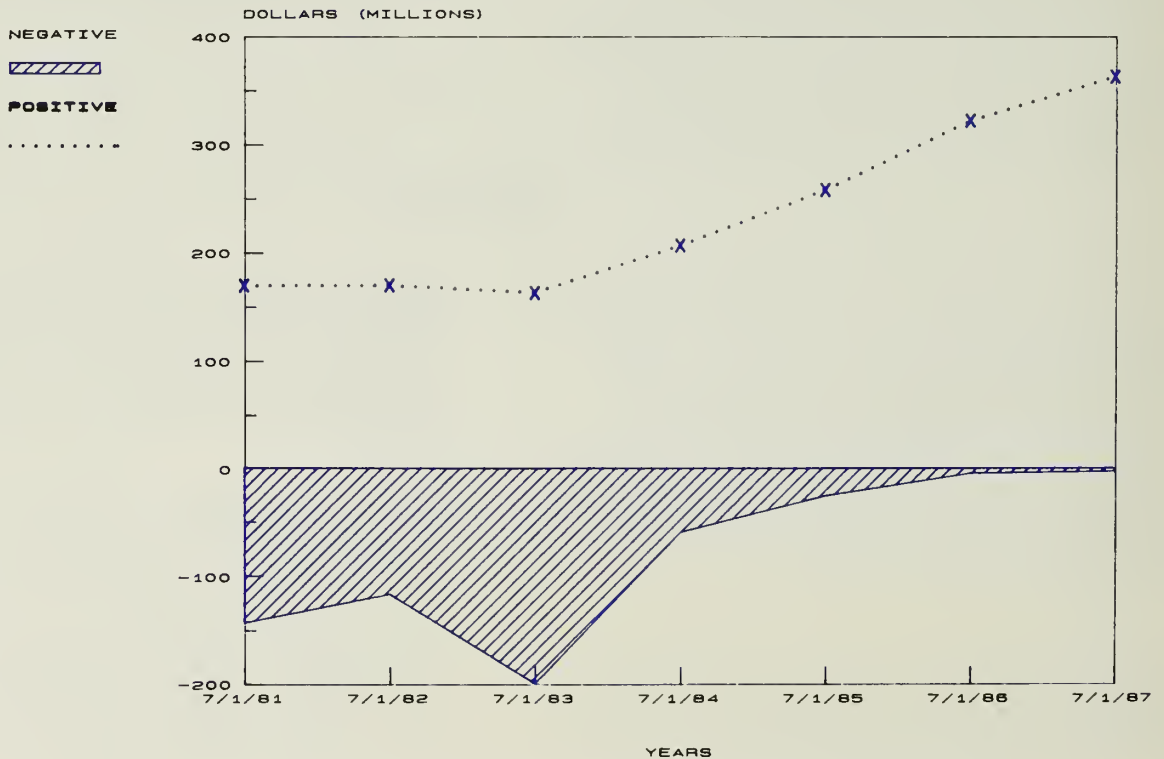


Chart 2

CHANGE IN FREE CASH 7/1/81 TO 7/1/87

NEGATIVE AND POSITIVE CHANGES



FREE CASH - 7/1/85, 7/1/86, 7/1/87, and Free Cash as Percent of Spending

MUNICIPALITY	7/1/85 FREE CASH	7/1/86 FREE CASH	7/1/87 FREE CASH	TOTAL SPENDING	FR CSH PCT OF SPENDING	MUNICIPALITY	7/1/85 FREE CASH	7/1/86 FREE CASH	7/1/87 FREE CASH	TOTAL SPENDING	FR CSH PCT OF SPENDING
ABINGTON	\$902,578	\$653,002	\$673,392	\$18,240,912	3.7%	CHICOPPEE	\$3,500,138	\$551,766	\$3,500,138	\$58,538,382	6.0%
ACTION	\$2,757,098	\$1,658,918	\$1,248,439	\$24,437,250	5.1%	CHILMARK	\$145,237	\$145,237	\$145,237	\$1,622,967	8.9%
ACUSHNET	\$1,515,207	\$3,757,538	\$3,757,538	\$7,478,938	4.8%	CLARKSBURG	\$30,611	\$17,506	\$30,611	\$1,348,953	2.3%
ADAMS	\$2,050,453	\$2,078,703	\$617,301	\$6,835,908	9.0%	CLINTON	\$1,017,515	\$559,622	\$1,017,515	\$15,041,338	6.8%
AGAWAM	\$920,840	\$2,170,933	\$2,258,323	\$26,080,041	8.7%	COHASSET	\$654,647	\$1,084,192	\$654,647	\$11,860,455	4.7%
ALFORD	\$22,324	\$41,347	\$81,612	\$445,220	18.3%	COLRAIN	\$58,349	\$37,609	\$58,349	\$1,259,520	4.3%
AMESBURY	\$621,963	\$481,926	\$266,737	\$30,646,253	0.9%	CONCORD	\$2,526,133	\$2,406,851	\$2,526,133	\$25,138,841	11.0%
AMHERST	\$3,197,743	\$3,679,279	\$2,154,883	\$7,934,840	5.7%	CONWAY	\$323,344	\$133,491	\$323,344	\$1,294,395	17.3%
ANDOVER	\$2,078,054	\$2,044,258	\$2,012,338	\$46,700,375	4.3%	CUMMINGTON	\$45,585	\$52,083	\$45,585	\$47,249	12.7%
ARLINGTON	\$914,697	\$725,258	\$1,260,499	\$57,062,255	2.2%	DALTON	\$414,563	\$393,048	\$414,563	\$5,507,576	7.1%
ASHBURNHAM	\$2,697	\$25,472	\$211,259	\$3,819,164	5.5%	DANVERS	\$3,439,569	\$1,657,702	\$3,439,569	\$61,590,579	5.1%
ASHBY	\$171,651	\$98,068	\$267,037	\$1,779,907	15.0%	DARTMOUTH	\$1,422,921	\$875,561	\$1,422,921	\$24,684,142	1.0%
ASHFIELD	\$112,021	\$142,514	\$171,289	\$1,253,226	15.7%	DECHAM	\$1,737,971	\$1,235,484	\$1,737,971	\$30,066,066	4.0%
ASHLAND	\$815,774	\$1,554,430	\$1,778,880	\$16,516,716	10.8%	DEERFIELD	\$999,451	\$999,451	\$999,451	\$4,105,238	0.1%
ATHOL	\$352,549	\$233,731	\$524,709	\$6,316,416	8.3%	DENNIS	\$1,722,898	\$1,326,049	\$1,722,898	\$16,208,733	16.2%
ATTLEBORO	\$838,049	\$2,186,943	\$3,317,341	\$42,059,138	7.9%	DIGHTON	\$244,068	\$62,870	\$244,068	\$192,566	3.7%
AUBURN	\$1,462,961	\$416,083	\$1,335,591	\$16,968,218	7.9%	DOUGLAS	\$320,708	\$300,118	\$320,708	\$5,635,616	5.6%
AVON	\$555,722	\$665,011	\$771,289	\$7,096,697	10.9%	DOVER	\$245,757	\$177,501	\$245,757	\$2,627,423	3.5%
AYER	\$515,423	\$828,977	\$539,130	\$9,182,466	5.9%	DRACUT	\$133,212	\$119,072	\$133,212	\$24,686,489	3.8%
BARNSTABLE	\$3,139,561	\$3,860,828	\$3,786,215	\$50,475,382	7.5%	DUDLEY	\$157,657	\$708,809	\$157,657	\$4,953,218	16.7%
BARRE	\$60,015	\$142,750	\$260,396	\$3,148,675	11.4%	DUNSTABLE	\$129,959	\$78,259	\$129,959	\$1,611,932	6.4%
BELMONT	\$185,875	\$28,673	\$50,968	\$1,630,301	3.1%	DUXBURY	\$1,227,434	\$1,118,095	\$1,227,434	\$24,084,903	4.0%
BENLLEY	\$2,324,714	\$1,828,182	\$1,185,482	\$25,807,007	4.6%	EAST BRIDGEWATER	\$272,643	\$346,414	\$272,643	\$14,237,556	5.0%
BELLEVILLE	\$671,210	\$731,493	\$1,121,400	\$9,213,433	7.7%	EAST BROOKFIELD	\$121,820	\$240,603	\$121,820	\$1,235,061	35.5%
BELLINGHAM	\$714,660	\$618,291	\$976,258	\$15,727,422	6.2%	EAST LONGMEADOW	\$862,375	\$862,375	\$862,375	\$15,449,744	6.2%
BELMONT	\$2,354,256	\$1,477,890	\$1,645,784	\$7,646,560	4.4%	EASTHAM	\$288,595	\$435,600	\$288,595	\$497,947	8.7%
BENLLEY	\$184,138	\$175,113	\$92,534	\$2,080,561	3.0%	EASTHAMPTON	\$416,159	\$253,476	\$416,159	\$4,728,489	2.6%
BENLLEY	\$67,392	\$16,641	\$25,602	\$2,195,411	1.2%	EASTON	\$446,136	\$271,875	\$446,136	\$20,922,900	5.2%
BENNINGTON	\$467,815	\$186,686	\$215,431	\$1,708,636	12.6%	EDGEMONT	\$171,763	\$179,944	\$171,763	\$17,447,852	4.4%
BEVERLY	\$1,323,529	\$2,249,334	\$676,799	\$7,847,843	1.4%	ERENMONT	\$14,416	\$139,017	\$14,416	\$1,391,390	4.2%
BILLERICA	\$1,577,919	\$1,044,864	\$2,839,964	\$17,120,527	5.6%	ERVING	\$225,892	\$225,892	\$225,892	\$5,696,770	6.7%
BLACKSTONE	\$156,757	\$788,879	\$449,785	\$5,889,233	7.6%	ESSEX	\$255,072	\$339,802	\$255,072	\$3,515,566	3.7%
BLACKSTONE	\$404,345	\$566,846	\$685,118	\$7,052,888	9.7%	FAIRHAVEN	\$1,576,905	\$2,396,255	\$1,576,905	\$45,588,888	5.3%
BOYLSTON	\$474,213	\$495,679	\$650,825	\$3,488,799	18.7%	FALL RIVER	\$269,340	\$1,727,400	\$269,340	\$17,247,982	2.0%
BRAintree	\$1,977,968	\$2,527,324	\$2,740,264	\$4,080,693	5.1%	FALMOUTH	\$4,767,909	\$6,582,123	\$4,767,909	\$11,750,995	4.6%
BREWSTER	\$670,836	\$934,782	\$996,006	\$12,319,624	8.1%	FRANKLIN	\$2,576,515	\$2,934,409	\$2,576,515	\$39,963,195	2.2%
BRIGHTON	\$467,996	\$848,410	\$690,794	\$18,113,706	3.8%	FRANKLIN	\$705,404	\$831,319	\$705,404	\$41,510,297	7.2%
BROOKFIELD	\$844,073	\$98,620	\$358,527	\$2,454,938	14.6%	GARDNER	\$468,218	\$317,949	\$468,218	\$38,805	0.0%
BROOKFIELD	\$2,153,719	\$3,851,898	\$1,034,248	\$12,754,747	8.8%	GAY HEAD	\$66,053	\$185,243	\$66,053	\$790,033	47.8%
BROOKFIELD	\$73,831	\$183,858	\$1,897,751	\$2,419,048	0.0%	GEORGETOWN	\$309,943	\$526,239	\$309,943	\$315,331	4.8%
BROOKFIELD	\$229,152	\$2,364,790	\$2,650,402	\$80,767,745	3.3%	GILL	\$323,378	\$340,047	\$323,378	\$849,505	33.1%
BROOKFIELD	\$103,948	\$11,408	\$222,258	\$1,596,891	13.9%	GLOUCESTER	\$61,360	\$61,360	\$61,360	\$40,494,533	8.5%
BROOKFIELD	\$3,822,804	\$2,074,539	\$3,416,074	\$42,952,970	8.0%	GOSHEN	\$40,499	\$31,813	\$40,499	\$792,809	0.0%
BROOKFIELD	\$13,607,214	\$10,694,029	\$12,254,747	\$215,805,516	5.7%	GOSNOLD	\$1,377,295	\$1,377,295	\$1,377,295	\$358,004	45.2%
BROOKFIELD	\$683,674	\$1,617,986	\$1,897,751	\$25,437,222	7.5%	GRAFTON	\$1,377,295	\$1,377,295	\$1,377,295	\$12,705,766	9.8%
BROOKFIELD	\$264,083	\$172,819	\$432,801	\$6,980,475	6.2%	GRANBY	\$177,747	\$177,747	\$177,747	\$308,506	5.8%
BROOKFIELD	\$300,356	\$256,799	\$594,088	\$10,723,127	5.5%	GRANVILLE	\$158,565	\$236,495	\$158,565	\$5,362,421	17.7%
BROOKFIELD	\$86,309	\$25,453	\$118,041	\$1,016,960	11.6%	GREAT BARRINGTON	\$1,373,039	\$1,863,439	\$1,373,039	\$7,958,000	28.6%
BROOKFIELD	\$305,630	\$352,244	\$150,401	\$4,558,101	3.3%	GREENFIELD	\$1,738,879	\$991,405	\$1,738,879	\$21,855,649	4.5%
BROOKFIELD	\$230,838	\$480,384	\$112,389	\$11,175,436	1.0%	GROTON	\$286,079	\$286,079	\$286,079	\$6,619,952	2.8%
BROOKFIELD	\$693,046	\$517,666	\$749,960	\$37,973,484	2.0%	GROVELAND	\$357,540	\$235,248	\$357,540	\$4,788,798	2.6%
BROOKFIELD	\$10,732	\$144,459	\$55,245	\$1,812,704	0.0%	HALEY	\$289,472	\$692,225	\$289,472	\$4,982,435	9.6%
BROOKFIELD	\$5,740	\$30,211	\$78,124	\$956,622	8.2%	HALEY	\$146,359	\$210,211	\$146,359	\$5,980,154	4.3%
BROOKFIELD	\$32,637	\$40,307	\$40,764	\$1,038,501	3.9%	HAMMILL	\$79,282	\$276,760	\$79,282	\$7,442,597	5.6%
BROOKFIELD	\$693,046	\$517,666	\$749,960	\$37,973,484	2.0%	HAMPDEN	\$110,653	\$252,092	\$110,653	\$4,523,427	5.3%
BROOKFIELD	\$10,732	\$144,459	\$55,245	\$1,812,704	0.0%	HAMPDEN	\$110,653	\$252,092	\$110,653	\$4,523,427	5.3%
BROOKFIELD	\$5,740	\$30,211	\$78,124	\$956,622	8.2%	HAMPDEN	\$110,653	\$252,092	\$110,653	\$4,523,427	5.3%
BROOKFIELD	\$32,637	\$40,307	\$40,764	\$1,038,501	3.9%	HAMPDEN	\$110,653	\$252,092	\$110,653	\$4,523,427	5.3%

* = FY87 SPENDING DATA

FREE CASH - 7/1/85, 7/1/86, 7/1/87, and Free Cash as Percent of Spending

MUNICIPALITY	7/1/85 FREE CASH	7/1/86 FREE CASH	7/1/87 FREE CASH	TOTAL SPENDING	FR CASH PCT OF SPENDING	MUNICIPALITY	7/1/85 FREE CASH	7/1/86 FREE CASH	7/1/87 FREE CASH	TOTAL SPENDING	FR CASH PCT OF SPENDING	MUNICIPALITY	7/1/85 FREE CASH	7/1/86 FREE CASH	7/1/87 FREE CASH	TOTAL SPENDING	FR CASH PCT OF SPENDING
METHUEN	\$3,124,464	\$3,980,641	\$2,125,134	\$46,929,896	4.5%	PRINCETON	\$151,933	\$157,264	\$262,449	\$3,465,983	7.6%	TYNGBOROUGH	\$241,209	\$431,216	\$286,386	\$1,786,776	3.7%
MIDDLEBOROUGH	\$506,912	\$1,002,583	\$1,255,305	\$20,786,351	6.0%	QUINCY	\$426,678	\$1,030,106	\$1,207,201	\$11,901,596	9.0%	TYRNINGHAM	\$48,461	\$101,081	\$40,378	\$477,028	2.5%
MIDDLEFIELD	\$35,052	\$8,467	\$46,817	\$339,510	13.8%	RANDOLPH	\$2,313,094	\$1,401,989	\$494,243	\$35,705,496	1.4%	UNBROIDGE	\$476,591	\$326,486	\$610,312	\$8,983,600	6.8%
MIDDLETON	\$736,186	\$969,416	\$752,831	\$5,981,972	12.6%	RATONHAM	\$925,000	\$1,310,255	\$1,062,727	\$10,073,660	10.5%	WAKEFIELD	\$1,222,145	\$1,137,497	\$2,128,644	\$33,386,959	6.3%
MILFORD	\$1,873,920	\$1,728,304	\$2,235,034	\$30,128,752	7.4%	READING	\$210,360	\$761,702	\$1,822,080	\$31,889,024	5.7%	WALES	\$112,514	\$153,334	\$47,736	\$1,365,178	3.4%
MILLBURY	\$755,448	\$1,336,466	\$1,370,672	\$12,942,359	10.6%	REHOBOTH	\$528,353	\$114,173	\$469,395	\$7,716,147	6.1%	WALPOLE	\$1,407,642	\$1,248,160	\$747,784	\$25,065,474	3.0%
MILLS	\$283,459	\$462,587	\$405,081	\$9,346,409	4.3%	REVERE	\$3,948,260	\$2,482,200	\$1,677,146	\$54,019,389	3.0%	WALTHAM	\$3,797,327	\$3,943,271	\$3,797,327	\$77,517,664	4.9%
MILLVILLE	•	•	•	•	•	RICHMOND	\$107,047	\$99,600	\$98,078	\$1,452,153	5.9%	WARE	\$280,961	\$639,604	\$526,297	\$10,045,190	5.2%
MILTON	•	•	•	•	•	ROCHESTER	\$201,503	\$27,723	\$135,464	\$3,451,144	3.9%	WARREN	\$1,546,157	\$1,420,871	\$1,420,871	\$22,889,267	6.2%
MILFORD	\$375,132	\$93,809	\$65,144	\$472,012	15.9%	ROCKLAND	\$529,576	\$547,413	\$1,056,010	\$19,747,680	5.3%	WATERMAN	\$316,070	\$329,515	\$361,469	\$3,804,299	9.5%
MONSON	•	•	•	•	•	ROCKPORT	\$561,904	\$732,174	\$894,052	\$10,230,086	8.7%	WATERVILLE	\$65,245	\$20,291	\$194,299	\$724,465	26.8%
MONTAGUE	\$1,017,458	\$406,040	\$862,712	\$6,778,631	12.7%	ROSELAND	\$450,686	\$289,189	\$344,427	\$2,163,723	11.5%	WATERVILLE	\$86,852	\$127,093	\$153,055	\$557,749	27.4%
MONTELEY	\$32,308	\$167,870	\$229,691	\$1,069,708	21.5%	ROSELAND	\$184,001	\$317,764	\$200,686	\$4,841,033	4.1%	WATERVILLE	\$1,512,592	\$1,752,175	\$1,957,550	\$45,784,402	4.3%
MONTGOMERY	•	•	•	•	•	ROSELAND	\$322,363	\$430,388	\$538,061	\$890,702	77.9%	WATERVILLE	\$1,037,542	\$1,180,160	\$1,221,286	\$21,036,840	5.8%
MONTGOMERY	\$375,132	\$93,809	\$65,144	\$472,012	15.9%	ROSELAND	\$529,576	\$547,413	\$1,056,010	\$19,747,680	5.3%	WATERVILLE	\$316,070	\$329,515	\$361,469	\$3,804,299	9.5%
MOUNT WASHINGTON	•	•	•	•	•	ROSELAND	\$561,904	\$732,174	\$894,052	\$10,230,086	8.7%	WATERVILLE	\$65,245	\$20,291	\$194,299	\$724,465	26.8%
NAHANT	\$378,466	\$289,227	\$192,074	\$7,046,937	2.7%	ROSELAND	\$529,576	\$547,413	\$1,056,010	\$19,747,680	5.3%	WATERVILLE	\$316,070	\$329,515	\$361,469	\$3,804,299	9.5%
NANTUCKET	\$348,409	\$1,128,830	\$676,077	\$22,383,807	0.3%	ROSELAND	\$561,904	\$732,174	\$894,052	\$10,230,086	8.7%	WATERVILLE	\$65,245	\$20,291	\$194,299	\$724,465	26.8%
NATICK	\$1,551,263	\$1,605,378	\$4,027,981	\$42,022,945	9.6%	ROSELAND	\$561,904	\$732,174	\$894,052	\$10,230,086	8.7%	WATERVILLE	\$65,245	\$20,291	\$194,299	\$724,465	26.8%
NEEDHAM	\$771,033	\$3,719,403	\$1,099,471	\$55,395,273	2.0%	ROSELAND	\$561,904	\$732,174	\$894,052	\$10,230,086	8.7%	WATERVILLE	\$65,245	\$20,291	\$194,299	\$724,465	26.8%
NEW ASHFORD	\$32,171	\$36,884	\$50,320	\$195,114	25.8%	ROSELAND	\$561,904	\$732,174	\$894,052	\$10,230,086	8.7%	WATERVILLE	\$65,245	\$20,291	\$194,299	\$724,465	26.8%
NEW BEDFORD	•	•	•	•	•	ROSELAND	\$561,904	\$732,174	\$894,052	\$10,230,086	8.7%	WATERVILLE	\$65,245	\$20,291	\$194,299	\$724,465	26.8%
NEW BEDFORD	•	•	•	•	•	ROSELAND	\$561,904	\$732,174	\$894,052	\$10,230,086	8.7%	WATERVILLE	\$65,245	\$20,291	\$194,299	\$724,465	26.8%
NEW BRANTREE	\$274,572	\$1,110,749	\$260,692	\$269,038	41.4%	ROSELAND	\$561,904	\$732,174	\$894,052	\$10,230,086	8.7%	WATERVILLE	\$65,245	\$20,291	\$194,299	\$724,465	26.8%
NEW BRANTREE	\$274,572	\$1,110,749	\$260,692	\$269,038	41.4%	ROSELAND	\$561,904	\$732,174	\$894,052	\$10,230,086	8.7%	WATERVILLE	\$65,245	\$20,291	\$194,299	\$724,465	26.8%
NEW MARLBOROUGH	\$539,293	\$1,116,256	\$75,595	\$1,271,382	6.1%	ROSELAND	\$561,904	\$732,174	\$894,052	\$10,230,086	8.7%	WATERVILLE	\$65,245	\$20,291	\$194,299	\$724,465	26.8%
NEW MARLBOROUGH	\$539,293	\$1,116,256	\$75,595	\$1,271,382	6.1%	ROSELAND	\$561,904	\$732,174	\$894,052	\$10,230,086	8.7%	WATERVILLE	\$65,245	\$20,291	\$194,299	\$724,465	26.8%
NEW MARLBOROUGH	\$539,293	\$1,116,256	\$75,595	\$1,271,382	6.1%	ROSELAND	\$561,904	\$732,174	\$894,052	\$10,230,086	8.7%	WATERVILLE	\$65,245	\$20,291	\$194,299	\$724,465	26.8%
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MUNICIPAL FISCAL CALENDAR

JULY 1 Assessors; Due date for submission of reports of exempt property (Form 121 and Form 3ABC) to the Municipal Data Management/Technical Assistance Bureau. The Board of Assessors must annually complete and submit to the DOR a report of property exempt from taxation on Form 121. This statement is a detailed list, including a description and valuation of property exempt from taxation as entered upon the valuation list of the town pursuant to Chapter 59, section 51. Form 121 is based on Form 3ABC which is filed with the Board of Assessors by those charitable organizations which have been granted an exemption from local real estate and personal property taxes.

JULY 1 Accountants; *Certification Date for free cash;* Two weeks after the close of a fiscal year, all accounts are closed out and the resulting balance sheet is submitted to the DOR's Bureau of Accounts for certification. Free Cash is certified any time after this date. SEE September 15 - Complete Balance Sheet for prior fiscal year.

JULY 15 Assessors; Deadline for submission of appeals of Commissioner's valuation of pipelines to the Appellate Tax Board.

JULY 20 Department of Revenue; *Last date to change proposed EQV's.* EQV's (Equalized Values) are developed by the Bureau of Local Assessment in every even-numbered year. EQV's prepared in 1988 are used in local aid distribution formulas for FY90 and FY91.

From the Springfield Regional Office

Effective June 10, 1988, the new phone number for the Springfield District Office of the Division of Local Services is (413) 784-1000. At this time, the extension numbers remain the same:

Bureau of Accounts 236, 239
Bureau of Local Assessment 237, 263, 269
Regional Manager 318

Currently, there is a direct line to the Division of Local Services. The new number for this line is (413) 784-1040. During non-office hours, an answering machine is operational. We will return your call as quickly as possible.

Please circulate this information to all appropriate departments, i.e., Assessors, Accountants, Auditors, Treasurers, Collectors, etc. If you have any questions, please feel free to contact Gale A. Marceau, Regional Manager, Division of Local Services - 436 Dwight Street, Room 215, Springfield, MA 01103

JULY 31 Department of Revenue; *Performs quality reviews of audits performed by independent public accounting firms.* When an audit by a private firm is contracted by a community for the prior fiscal year, the results of the audit shall be made available within 30 days after the completion of the audit, but no later than one year after the end of the audit period (Circular No. A-128 OMB). The results are reviewed by the Bureau of Accounts (BOA) for two reasons: 1) Presentation, and 2) Content. The presentation of the report includes a review of whether audit guidelines and standards are followed. The content of the report includes a review of the CPA firms' recommendations. BOA will contact the community to inquire on the corrective action, if any, that will be taken by the community. Based on the details and content of the corrective action plan, the DOR and the community may arrange a field review to compare the action plan to the resulting improvements.

On the Hill

The following is an update of the status of the Division of Local Services' 1988 legislative package:

Two of our bills have been signed into law: **H. 248** is now **Chapter 42 of the Acts of 1988**. This new law allows communities to charge interest on municipal expenses. In addition, it allows communities to defer their property taxes under Clause 41A (of Section 5 of Chapter 59 of the General Laws). This new law takes effect on August 16.

H. 256 is now **Chapter 43 of the Acts of 1988**, which makes several clarifying amendments to the law relating to local tax bills and abatements. It provides, among other things, that uncollectible local excise bills may be abated just as personal property taxes are now abated, that omitted and revised assessments are due in 30 days and that interest on refunds will only be due from the time when the tax, as abated, has been paid in full. This new law also takes effect on August 16.

Informational Guideline Releases (IGR's) will be issued by the Property Tax Bureau shortly on both of these new laws.

"FREE CASH" BY ANY OTHER NAME...

Attention CITY & Town readers: you are invited to participate in the Division of Local Services "Rename Free Cash" contest! Since this month's **FOCUS** attempts to define and clarify the confusing concept of free cash for local officials, the DLS would like to further that effort by finding a more "appropriate" name for a community's "extra" unrestricted funds... and we're asking for your help!

Based on the actual definition of free cash as you know it and on CITY & Town's explanation, develop a term or phrase that you feel best describes what "Free Cash" really means to cities and towns. The

community that comes up with the winning name will get its tax rate and free cash (if submitted error free) certified in **ONE DAY!!** All entries must be mailed or phoned in by September 1 and the winner will be announced in the October issue of CITY & Town. Judges will include Deputy Commissioner Edward J. Collins, Jr. and other DLS staff members. If you're interested in helping us out *and* getting a break for YOUR community, mail your entry to City & Town/Free Cash Contest at the address below.

MDM/TAB Financial Management Assistance Update

Holyoke: FY89 Budget Analysis and Recommendations for Enhancing Revenues

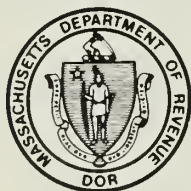
At the request of Mayor Martin J. Dunn, the Division of Local Services prepared a financial analysis to determine the extent of Holyoke's projected shortfall for FY89 and to make recommendations for the enhancement of the city's revenues. The analysis included a projection of the costs in FY89 of maintaining current service levels, a forecast of revenues, and recommendations for revenue enhancement in FY89 and beyond.

CITY & Town, a publication of the Massachusetts Department of Revenue's Division of Local Services, is published 11 times per year. The Division is responsible for oversight and assistance to cities and towns in achieving equitable property taxation and efficient fiscal management.

(617) 727-2300

Editor: *Elizabeth Rose Anderson*

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Boston, MA 02204



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CITY & Town



A monthly publication of the Massachusetts Department of Revenue's
Division of Local Services

Stephen W. Kidder
Commissioner

Edward J. Collins, Jr.
Deputy Commissioner

LOCAL PROFILE

Gale Marceau, Regional Manager
Massachusetts Department of Revenue; Division of
Local Services

Gale Marceau joined the Department of Revenue in April of 1988 to manage the Division of Local Services' regional offices in Worcester and Springfield. Ms. Marceau's mission is to make the resources of the DLS more easily accessible to communities in the western part of Massachusetts; to improve communication between the state and local governments, especially with cities and towns in the west; and to encourage municipal officials from all over the Commonwealth to work together and share information.

Ms. Marceau has worked in local government for twelve years, coming to the Division after serving the Franklin County Commissioners as Municipal Assistant Coordinator for four years. This job entailed helping communities with regional programs such as shared inspectional services and solid waste removal and emergency communications systems. This position also required Ms. Marceau to monitor legislation affecting small towns.

A 13-year resident of Montague, Gale has served the town on the Board of Selectmen, the Finance Committee, and the School Committee. According to Ms. Marceau, this experience has given her insight into the way local officials think. "I know how hard it is for town leaders to trust officials from other towns. We need to get it across to them that sharing information is not painful. Individual towns can do a lot better financially as a team."

Ms. Marceau believes that officials from smaller towns in Western Massachusetts are sometimes intimidated by the prospect of calling Boston for help, and thus may put off requesting assistance. She expects that they'll find it easier to call one of the Division's regional branches and will utilize its services more.

Renovations are currently underway at the Western Offices and should soon be completed. Gale is planning her first public relations effort, an open house for local officials to meet with Division staff. Watch upcoming issues of CITY & Town for details — local officials are encouraged to attend.



AUGUST 17: "What's New in Municipal Law?"
Sheraton Sturbridge Resort and Conference Center
Sturbridge - 9:00 a.m. - 4:00 p.m.

SEPTEMBER: Department of Revenue: Course
101. *Assessment Administration: Law, Procedures, Valuation.*
Amherst - September 12-16 (9:00 a.m. - 5:00 p.m.)
Lexington - Dates to be announced (7:00 p.m. - 10:00 p.m.)
Worcester - Dates to be announced (7:00 p.m. - 10:00 p.m.)

SEPTEMBER: Department of Revenue: Course
201. *The Collection of Taxes.*
North Shore - One day a week for three weeks.
Dates and locations to be announced.

PUBLIC RECORDS

Records of absenteeism among teachers contain information that is potentially embarrassing to their subjects, but according to the Supreme Judicial Court, information regarding the dates, names, and general reasons for absences of school employees is subject to mandatory disclosure pursuant to General Laws c. 66 §10.

In *Brogan v. School Committee of Westport*, 401, Mass. 306 (1987), the Court ruled in favor of the defendant, the Westport Board of Selectmen. The Board had repeatedly requested that the school committee release individual employee absentee reports. The School Committee initially provided the Board with "summaries" of the records and later turned over the records themselves — with the names deleted. The selectmen, contending that the reports were "public records subject to mandatory disclosure under the Massachusetts Public Records Law (G.L. c. 66, §10)" demanded the records. The school committee refused on the grounds that the absence records are exempt as "personnel and medical files or information" under G.L. c. 4, §7.

Five Westport teachers and their collective bargaining agent, the Westport Federation of Teachers filed suit in superior court seeking an injunction preventing the superintendent of schools and school committee from making the records available to the selectmen and the general public. The lower court determined that school employee attendance and absentee records are public records subject to disclosure upon request of a town's board of selectmen. Individual absentee records of school employees showing only the dates, names, and generic reasons for the absences were not records of a personal nature, thus being subject to disclosure under the Public Records Law upon request of the board of selectmen.

When the case was appealed to the Supreme Judicial Court, the plaintiffs based their argument on *Globe Newspaper Co. v. Boston Retirement Board*, 388 Mass. 427, 438, 446 (1983). In this case, the *Globe* sought information regarding employees of the City of Boston receiving disability pensions.

Specifically, the newspaper wanted the medical reason given by each employee in applying for and receiving his disability pension (eg. heart problems, hypertension, bad back). The Westport plaintiffs found the decision in their

case to be inconsistent with the *Globe* decision which was that this medical information was absolutely exempt from the requirements of G.L. c. 66 §10.

The plaintiff's argument was inadequate because the fundamental differences between the two cases were overlooked. The Court pointed out that information concerning a named individual's medical condition is inherently of a personal nature. The fact that a named teacher took "sick leave" or "personal leave" on a certain date is not. By definition, the disability pensioners involved in the *Globe* dispute have medical problems serious enough to deem them medically unfit to work. In the Westport Teachers' case, absenteeism is a much less personal issue, although if the discovery of excessive absences leads to further inquiry, it can cause the subject some embarrassment. The Court found the attendance/absence records outside the G.L. c.4, §7 exemption. Certain information in personnel files can be of a non-personal character and may be subject to disclosure under the public records law.

On the Hill

A bill affecting "free cash", filed by the Division of Local Services, has been signed into law. Chapter 73 of the Acts of 1988 amends Chapter 59, section 23 of the General Laws. The new law went into effect on June 22, 1988 and gives the Director of Accounts flexibility in determining how to update the amount of a municipality's funds certified as available for appropriation during a fiscal year.

Before this change, the law did not allow certain revenue items which contribute to a city or town's free cash at the beginning of a fiscal year to be used to update the amount of free cash until the beginning of the next fiscal year. This restriction often forced communities to postpone appropriations until the beginning of the next fiscal year due to the lack of any lawful funding source *even* if the community had already received excess revenues sufficient to cover appropriations. Chapter 73 eradicates this limitation.

Focus on *Municipal Finance*

A regular supplement to CITY & Town

SPENDING

Spending is the topic of this CITY & Town FOCUS. Data on Spending are drawn from "Total Amount to be Raised" as reported on the Tax Recapitulation Sheets.

From FY81 — the year prior to the implementation of Proposition 2 1/2 — to FY87, total spending by communities rose from \$5.68 billion to \$7.658 billion. Total FY87 spending was \$1.98 billion or 34.8% higher than FY81 spending. Note that these figures are expressed in current dollars and therefore do not reflect any erosion in local municipal purchasing power resulting from inflation over this period.

During this period, the portion of total municipal budgets supported by the property tax levy fell from 58.9% to 46.2%, a 21.5% drop in the levy's share of total revenue. The share of municipal budgets supported by state aid grew from 20.1% in FY81 to 31.1% in FY87, an increase in the state aid share of total revenue of 54%. Local receipts rose during this time, from 13.8% of total budgets in FY81 to 16.1% in FY87, an increase in local receipts' share of total revenue of 16.6%. All other revenues, which includes federal funds, fell from 7.2% of budgets in FY81 to 6.6% of budgets in FY87, decreasing as a share of total revenue by 8%.

Between FY86 and FY87, total spending by communities increased by \$708.6 million or 10.2%, from \$6.95 billion in FY86 to \$7.658 billion in FY87. Listed below is statewide total spending from FY81 to FY87, as well as spending changes from year to year:

A total of seventeen communities decreased their budgets from FY86 to FY87. The largest spending decrease was for 38%, while the largest spending increase was for 45.9%.

The attached printout shows FY86 and FY87 spending and the dollar and percentage change by community. The following graph shows statewide spending changes from FY81 to FY87.

Note: Major decreases in the spending of communities often indicates the conclusion of a one or multi-year project with significant costs.

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CITY & Town FOCUS is jointly developed by the Analysis Unit and the Municipal Data Management/Technical Assistance Bureau of the Division of Local Services. This issue of CITY & Town FOCUS was prepared by Julie Slavet and Leslie Kirwan of the Analysis Unit and John Sanguinet and Roger Hatch of MDM/TAB. For more information, contact the Analysis Unit or MDM/TAB at 727-2300.

Spending:

FY81: \$5,681,611,862
 FY82: \$5,574,386,836
 FY83: \$5,807,149,037
 FY84: \$6,011,753,398
 FY85: \$6,456,279,109
 FY86: \$6,950,166,724
 FY87: \$7,658,798,594

Change in Spending:

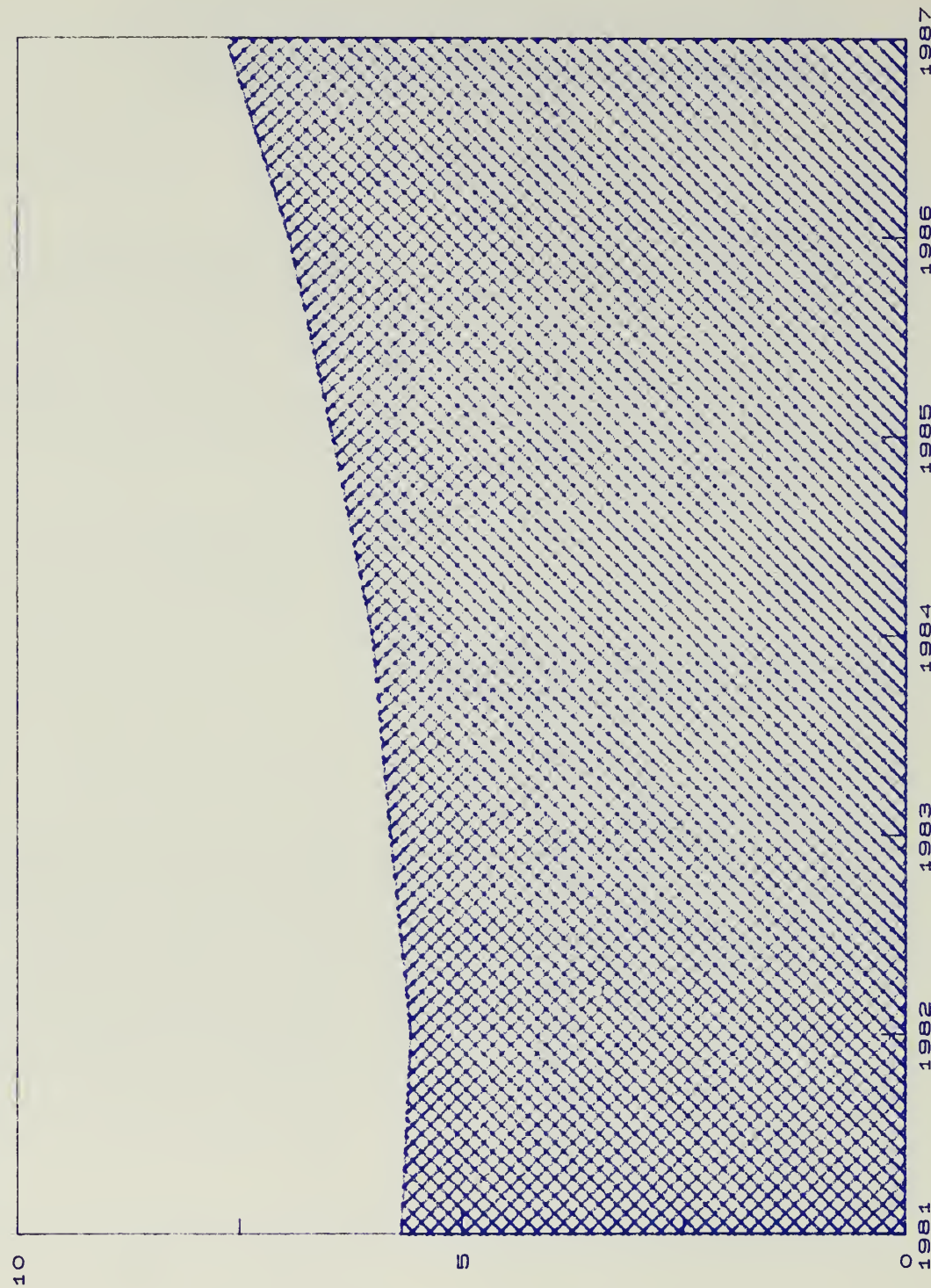
FY81 - FY82: -2%
 FY82 - FY83: 4.2%
 FY83 - FY84: 3.5%
 FY84 - FY85: 7.4%
 FY85 - FY86: 7.6%
 FY86 - FY87: 10.2%

TOTAL SPENDING FY81 THRU 87

STATE TOTALS

DOLLARS (IN BILLIONS)

SPENDING



DLS

FISCAL YEARS

(in current dollars)

MUNICIPALITY	FY86 TOTAL SPENDING	FY87 TOTAL SPENDING	DOLLAR CHANGE	PERCENT CHANGE	MUNICIPALITY	FY86 TOTAL SPENDING	FY87 TOTAL SPENDING	DOLLAR CHANGE	PERCENT CHANGE	MUNICIPALITY	FY86 TOTAL SPENDING	FY87 TOTAL SPENDING	DOLLAR CHANGE	PERCENT CHANGE
ABINGTON	13,443,544	15,012,147	1,568,603	11.7%	CHICOPEE	49,183,591	55,007,968	5,824,377	11.8%	HANCOCK	526,979	639,492	112,513	21.4%
ACTON	20,450,591	23,228,967	2,778,376	13.6%	CHILMARK	1,262,656	1,325,475	62,819	5.0%	HANDOVER	14,228,154	16,029,811	1,801,657	12.7%
ACUSHNET	6,691,408	7,172,777	481,369	7.2%	CLAREMONT	1,280,201	1,348,635	68,434	5.3%	HANSON	8,073,803	8,648,050	574,247	7.1%
ADAMS	6,203,860	6,835,908	632,048	10.2%	CLINTON	11,424,199	12,896,390	1,472,191	12.9%	HARLOW	1,553,989	1,555,410	119,489	-12.8%
AGAWAM	23,446,481	26,080,041	2,633,560	11.2%	COHASSET	10,254,013	11,845,317	1,591,304	15.5%	HARVARD	6,895,764	7,140,495	244,731	3.5%
ALFORD	375,981	344,270	(31,711)	-8.4%	COLRAIN	1,181,668	1,223,124	41,456	3.5%	HARWICH	12,487,505	14,766,078	2,278,573	18.2%
AMHERST	25,052,661	27,667,826	2,615,165	10.4%	CONCORD	22,185,767	23,813,271	1,627,504	7.3%	HATFIELD	2,777,342	3,266,793	489,451	17.8%
ANDOVER	39,680,412	42,917,711	3,237,299	8.2%	CONWAY	1,090,001	1,164,818	74,815	6.9%	HAVERHILL	77,539,713	82,592,528	5,052,815	6.5%
ARLINGTON	50,903,246	54,396,906	3,493,660	6.9%	CUMMINGTON	686,433	730,860	44,427	6.5%	HAWLEY	285,429	320,266	34,837	12.2%
ASHBURNHAM	2,942,632	3,405,414	462,782	15.7%	DALTON	5,197,013	5,527,134	330,121	6.4%	HEATH	567,828	618,003	50,175	8.8%
ASHBY	1,433,368	1,503,070	69,702	4.9%	DANVERS	58,309,793	61,506,464	3,196,671	5.5%	HINGHAM	24,536,993	26,263,247	1,726,254	7.0%
ASHFIELD	1,199,628	1,330,210	130,582	10.9%	DARTMOUTH	21,681,329	24,512,127	2,830,798	13.1%	HINSDALE	1,313,214	1,441,965	128,751	9.8%
ASHLAND	11,979,762	13,442,086	1,462,324	12.2%	DEERFIELD	25,360,295	28,401,350	3,041,055	12.0%	HOLBROOK	12,269,064	13,426,311	1,157,247	9.4%
ATHOL	5,756,366	5,943,184	186,818	3.3%	DENNIS	13,117,775	14,779,621	1,661,846	12.7%	HOLDEN	12,719,281	13,452,973	733,692	5.8%
ATTLEBORO	33,183,744	37,352,185	4,168,441	12.6%	DIGHTON	4,540,529	5,302,555	762,026	16.8%	HOLLAND	1,416,990	1,591,228	174,236	12.1%
AUBURN	15,768,748	16,321,599	552,851	3.5%	DOUGLAS	3,657,234	5,302,555	1,645,321	45.0%	HOLLISTON	15,222,519	16,033,497	810,978	5.3%
AVON	5,647,117	6,780,350	1,133,233	20.1%	DOVER	6,227,433	6,538,885	311,452	5.0%	HOLYOKE	47,671,815	53,286,476	5,614,661	11.8%
AVER	7,600,516	9,182,466	1,581,950	20.8%	DRAKE	20,189,743	22,584,845	2,395,102	11.9%	HOPFEDALE	4,256,379	5,253,493	997,114	23.4%
BARNSTABLE	41,298,025	46,055,766	4,757,741	11.5%	DUDLEY	4,005,306	4,423,852	418,546	10.4%	HOPKINTON	8,618,239	9,441,997	823,758	9.6%
BARRE	2,732,781	2,366,068	(366,713)	-13.4%	DUNSTABLE	1,483,388	1,433,540	(49,848)	-3.3%	HUBBARDSTON	1,619,365	1,335,972	(283,393)	-17.5%
BECKET	1,341,747	1,466,909	125,162	9.3%	DUXBURY	19,308,818	21,554,426	2,245,608	11.6%	HUGSON	18,051,691	20,920,870	2,869,179	15.9%
BEDFORD	2,546,412	2,536,273	(10,139)	-0.4%	EAST BROOKFIELD	1,634,462	1,648,279	13,817	0.8%	HULL	13,214,233	15,454,722	2,240,489	17.0%
BELCHERTOWN	8,051,229	9,213,433	1,162,204	14.5%	EAST BROOKFIELD	1,492,366	1,607,537	115,171	7.7%	HUNTINGTON	1,285,101	1,288,040	2,939	0.2%
BELLINGHAM	12,078,280	14,308,510	2,230,230	18.4%	EAST LONGMEADOW	13,337,041	14,535,140	1,198,099	9.0%	IPSWICH	12,595,773	13,546,497	950,724	7.5%
BELMONT	31,042,931	33,291,699	2,248,768	7.2%	ENSTHAM	4,441,344	4,694,657	253,313	5.7%	KINGSTON	7,038,115	8,365,713	1,327,598	21.7%
BELLEVILLE	2,784,079	2,807,957	23,878	0.9%	EASTHAMPTON	17,007,760	17,729,508	721,748	4.2%	LAKEVILLE	4,711,340	5,671,634	960,294	20.4%
BERLIN	1,837,258	1,978,031	140,773	7.7%	EASTON	13,549,158	15,278,683	1,729,525	12.7%	LANCASTER	5,143,970	5,943,592	799,622	15.5%
BENARDSTON	1,517,450	1,662,031	144,581	9.5%	EDGEMONT	5,022,733	5,935,291	912,558	18.2%	LANESBOROUGH	2,772,571	2,917,440	144,869	5.2%
BEVERLY	44,233,441	46,521,689	2,288,248	5.2%	EGREMONT	960,658	1,210,164	249,506	26.0%	LAWRENCE	68,058,332	75,930,318	7,871,986	11.6%
BILLERICA	41,583,496	47,268,948	5,685,452	13.7%	ERLING	1,926,335	2,150,775	224,440	11.7%	LEE	5,848,703	7,227,567	1,378,864	23.6%
BLACKSTONE	4,297,318	4,582,235	284,917	6.7%	ESSEX	2,999,330	3,259,172	259,842	8.7%	LEICESTER	7,772,264	8,638,280	866,016	11.1%
BLANDFORD	860,876	860,876	0	0.0%	EVERETT	44,479,825	45,588,888	1,109,063	2.5%	LENDIS	6,299,117	6,773,899	474,782	7.5%
BOLTON	3,121,511	3,121,511	0	0.0%	FAIRHAVEN	15,511,369	16,237,666	726,297	4.6%	LEONISTON	32,927,696	35,808,757	2,881,061	8.7%
BOSTON	1,077,241,130	1,173,407,982	96,166,852	8.9%	FALL RIVER	92,827,054	100,575,067	7,748,013	8.3%	LEXINGTON	1,098,347	1,320,983	222,636	20.3%
BOULDER	15,011,086	16,461,502	1,450,416	9.7%	FALMOUTH	31,397,672	38,251,890	6,854,218	21.8%	LEXINGTON	43,562,564	47,098,956	3,536,392	8.1%
BOWDOIN	3,079,179	3,662,091	582,912	18.9%	FITCHBURG	36,562,594	39,834,458	3,271,864	8.9%	LEYDEN	471,656	532,275	60,619	12.9%
BOWFORD	5,641,340	6,177,973	536,633	9.5%	FLORIDA	897,187	987,960	90,773	10.1%	LINCOLN	8,744,577	9,123,473	378,896	4.3%
BOYLSTON	2,858,720	3,451,881	593,161	20.7%	FOTBOROUGH	16,143,715	17,180,624	1,036,909	6.4%	LITTLETON	8,158,755	8,794,029	635,274	7.8%
BRAintree	46,399,214	48,331,910	1,932,696	4.2%	FRAMINGHAM	70,985,210	80,011,033	9,025,823	12.7%	LONGMEADOW	18,191,058	20,867,512	2,676,454	14.7%
BROOKLINE	9,152,907	10,075,329	922,422	10.1%	FRANKLIN	20,774,525	22,927,528	2,153,003	10.4%	LDWELL	101,711,246	113,629,529	11,918,283	11.7%
BROOKFIELD	13,834,175	15,503,561	1,669,386	12.1%	FREETOWN	5,900,461	6,486,467	586,006	9.9%	LUDLOW	16,841,342	22,300,923	5,459,581	32.4%
BROOKLYN	37,613,982	40,278,927	2,664,945	7.1%	GARONET	15,263,599	16,340,097	1,076,498	7.0%	LUNENBURG	8,276,480	8,940,582	664,102	8.0%
BROWN	205,784,719	215,625,081	9,840,362	4.8%	GAY HEAD	482,941	588,909	105,968	21.9%	LYNN	88,921,257	99,555,112	10,633,855	12.0%
BROWNFIELD	1,866,107	2,124,868	258,761	13.8%	GEORGETOWN	5,577,835	6,356,022	778,187	14.0%	LYNNFIELD	12,575,112	13,881,136	1,306,024	10.4%
BURLINGTON	1,434,668	1,540,136	105,468	7.4%	GILL	807,855	876,590	68,735	8.5%	MALEN	57,900,663	62,710,926	4,810,263	8.3%
BURLINGTON	37,613,982	40,278,927	2,664,945	7.1%	GOLDEN	650,443	792,609	142,166	21.9%	MANCHESTER	7,497,534	7,638,562	141,028	1.9%
CAMBRIDGE	2,984,104	3,890,528	906,424	30.4%	GRAFTON	9,724,467	11,466,742	1,742,275	17.9%	MANFELT	15,860,281	19,129,602	3,269,321	20.6%
CANTON	21,556,125	23,245,503	1,689,378	7.8%	GROTON	5,181,600	6,163,431	981,831	18.9%	MANFELT	24,978,780	27,753,662	2,774,882	11.1%
CARLISLE	5,373,909	5,842,439	468,530	8.7%	GROVELAND	4,220,601	5,121,520	900,919	21.6%	MANFELT	7,497,534	7,638,562	141,028	1.9%
CARVER	6,981,229	7,924,152	942,923	13.5%	GRANVILLE	1,163,352	1,316,699	153,347	13.2%	MANFELT	15,860,281	19,129,602	3,269,321	20.6%
CARVER	6,981,229	7,924,152	942,923	13.5%	GREAT BARRINGTON	6,965,009	8,163,431	1,198,422	17.2%	MANFELT	7,497,534	7,638,562	141,028	1.9%
CHATHAM	2,984,104	3,890,528	906,424	30.4%	GREENFIELD	17,200,827	20,784,550	3,583,723	20.8%	MATTAPOISETT	8,359,791	9,402,362	1,042,571	12.5%
CHELSEA	30,526,415	34,348,683	3,822,268	12.5%	GREENFIELD	5,181,600	6,163,431	981,831	18.9%	MASSACHUSETTS	5,105,689	5,680,548	574,859	11.3%
CHESTER	1,293,980	1,581,635	287,655	22.2%	GROTON	5,181,600	6,163,431	981,831	18.9%	MASSACHUSETTS	11,462,267	12,606,647	1,144,380	10.0%
CHESTER	1,293,980	1,581,635	287,655	22.2%	GROTON	5,181,600	6,163,431	981,831	18.9%	MASSACHUSETTS	11,462,267	12,606,647	1,144,380	10.0%
CHESTER	1,293,980	1,581,635	287,655	22.2%	GROTON	5,181,600	6,163,431	981,831	18.9%	MASSACHUSETTS	11,462,267	12,606,647	1,144,380	10.0%
CHESTER	1,293,980	1,581,635	287,655	22.2%	GROTON	5,181,600	6,163,431	981,831	18.9%	MASSACHUSETTS	11,462,267	12,606,647	1,144,380	10.0%
CHESTER	1,293,980	1,581,635	287,655	22.2%	GROTON	5,181,600	6,163,431	981,831	18.9%	MASSACHUSETTS	11,462,267	12,606,647	1,144,380	10.0%
CHESTER	1,293,980	1,581,635	287,655	22.2%	GROTON	5,181,600	6,163,431	981,831	18.9%	MASSACHUSETTS	11,462,267	12,606,647	1,144,380	10.0%
CHESTER	1,293,980	1,581,635	287,655	22.2%	GROTON	5,181,600	6,163,431	981,831	18.9%	MASSACHUSETTS	11,462,267	12,606,647	1,144,380	10.0%
CHESTER	1,293,980	1,581,635	287,655	22.2%	GROTON	5,181,600	6,163,431	981,831	18.9%	MASSACHUSETTS	11,462,267	12,606,647	1,144,380	10.0%
CHESTER	1,293,980	1,581,635	287,655	22.2%	GROTON	5,181,600	6,163,431	981,831	18.9%	MASSACHUSETTS	11,462,267	12,606,647	1,144,380	10.0%
CHESTER	1,293,980	1,581,635	287,655	22.2%	GROTON	5,181,600	6,163,431	981,831	18.9%	MASSACHUSETTS	11,462,267	12,606,647	1,144,380	10.0%
CHESTER	1,293,980	1,581,635	287,655	22.2%	GROTON	5,181,600	6,163,431	981,831	18.9%	MASSACHUSETTS	11,462,267	12,606,647	1,144,380	10.0%
CHESTER	1,293,980	1,581,635	287,655	22.2%	GROTON	5,181,600	6,163,431	981,831	18.9%	MASSACHUSETTS	11,462,267	12,606,647	1,144,380	10.0%
CHESTER	1,293,980	1,581,635	287,655	22.2%	GROTON	5,181,600	6,163,431	981,831	18.9%	MASSACHUSETTS	11,462,267	12,606,647	1,144,380	10.0%
CHESTER	1,293,980	1,581,635	287,655	22.2%	GROTON	5,181,600	6,163,431	981,831	18.9%	MASSACHUSETTS	11,462,267	12,606,647	1,144,380	10.0%
CHESTER	1,293,980	1,581,635	287,655	22.2%	GROTON	5,181,600	6,163,431	981,831	18.9%	MASSACHUSETTS	11,462,267	12,606,647	1,144,380	10.0%
CHESTER	1,293,980	1,581,635	287,655	22.2%	GROTON	5,181,600	6,163							

SPENDING

(in current dollars)

MUNICIPALITY	FY86 TOTAL SPENDING	FY87 TOTAL SPENDING	DOLLAR CHANGE	PERCENT CHANGE	MUNICIPALITY	FY86 TOTAL SPENDING	FY87 TOTAL SPENDING	DOLLAR CHANGE	PERCENT CHANGE	MUNICIPALITY	FY86 TOTAL SPENDING	FY87 TOTAL SPENDING	DOLLAR CHANGE	PERCENT CHANGE
NETHER	36,027,325	40,567,554	4,540,199	12.62	PLYMOUTH	1,977,205	2,171,715	234,512	12.12	TOWNSEND	4,734,781	5,354,140	649,359	13.72
MIDDLEBOROUGH	15,887,833	19,253,766	3,335,933	21.02	PRINCETON	2,570,679	2,726,375	155,718	6.42	TRURO	2,247,818	2,754,463	506,645	22.52
MIDDLEFIELD	302,313	324,919	22,606	7.48	PROVINCETOWN	8,898,601	10,537,157	1,638,556	18.42	TYNGSBOROUGH	6,012,156	7,001,401	989,245	16.52
MIDDLETON	4,677,337	5,406,810	729,473	15.62	QUINCY	97,422,317	110,681,897	13,259,580	13.62	TYNGSBOROUGH	4,064,781	4,727,226	704,445	17.32
MILFORD	25,224,049	28,300,977	3,076,928	12.22	RAIDERS	30,611,374	33,826,292	3,214,918	10.52	UPON	3,048,485	3,012,792	(35,693)	-1.22
MILL BURY	11,647,275	11,803,382	156,107	1.35	RAYNHAM	28,888,145	29,033,669	145,524	0.52	WATERBURY	7,833,616	8,297,018	463,402	5.92
MILLS	7,339,187	8,992,911	1,653,724	22.52	REARDALE	28,616,341	29,501,464	885,123	3.12	WATERFIELD	28,164,642	33,142,576	4,977,934	17.72
MILLVILLE	786,798	949,517	162,719	20.72	REARDALE	6,686,062	7,335,515	649,453	9.72	WATERVILLE	988,561	1,147,788	159,227	16.12
MILTON	25,827,865	28,405,459	2,577,574	10.02	REARDALE	46,677,093	50,250,010	3,572,917	7.72	WATERVILLE	20,490,564	23,606,906	3,116,342	15.22
MORRIS	251,698	279,650	27,952	11.12	REARDALE	1,428,202	1,551,428	123,226	8.62	WATERVILLE	65,561,889	71,940,051	6,378,162	9.72
MORRIS	6,100,434	7,046,937	946,503	15.52	ROCHESTER	2,741,609	3,227,540	515,931	18.82	WATERVILLE	8,325,048	9,245,263	920,215	11.12
MORRIS	6,360,752	6,717,192	356,440	5.62	ROCHESTER	17,151,924	18,462,939	1,311,015	7.62	WATERVILLE	17,763,842	21,342,596	3,578,754	20.12
MORRIS	801,079	1,069,708	268,629	33.52	ROCKPORT	8,235,010	8,916,019	681,009	8.32	WATERVILLE	3,076,990	3,509,510	432,520	14.12
MORRIS	490,923	546,941	56,018	11.42	ROME	1,487,130	1,921,659	434,529	29.22	WATERVILLE	624,489	678,250	53,761	8.62
MORRIS	247,120	248,537	1,417	0.62	ROULEY	3,691,514	4,122,444	430,930	11.72	WASHINGTON	483,872	486,401	2,529	0.52
MORRIS	4,217,805	4,816,857	599,052	14.22	ROULEY	505,444	618,931	113,507	22.52	WATERVILLE	40,119,148	42,297,259	2,118,111	5.32
MORRIS	13,640,653	14,973,077	1,332,424	9.82	ROULEY	1,030,031	1,291,944	261,893	25.42	WATERVILLE	18,064,136	19,679,412	1,615,276	8.92
MORRIS	35,538,586	38,638,291	3,099,705	8.72	ROULEY	3,682,369	4,483,381	801,012	21.82	WATERVILLE	12,412,471	14,388,413	1,975,942	15.92
MORRIS	48,583,184	50,727,617	2,144,433	4.42	ROULEY	60,891,747	56,266,230	(4,625,517)	-7.62	WATERVILLE	35,029,920	37,319,846	2,289,926	6.52
MORRIS	130,705	190,724	60,019	45.92	ROULEY	6,022,849	6,101,202	78,353	1.32	WATERVILLE	3,960,762	3,882,520	(78,242)	-1.72
MORRIS	97,467,408	107,422,872	9,955,464	10.22	ROULEY	831,262	1,018,221	186,959	22.52	WATERVILLE	593,002	705,576	112,574	19.02
MORRIS	712,254	593,229	(118,975)	-16.72	ROULEY	13,287,191	15,262,928	1,975,737	14.92	WATERVILLE	3,722,448	3,809,812	87,364	2.32
MORRIS	995,622	1,045,928	50,306	5.12	ROULEY	27,561,922	31,574,545	4,012,623	14.62	WATERVILLE	5,654,340	6,559,983	905,643	16.02
MORRIS	522,808	614,193	91,385	17.52	ROULEY	544,443	556,384	11,941	2.22	WATERVILLE	6,777,201	7,980,007	1,202,806	17.72
MORRIS	4,138,417	4,630,973	492,556	11.92	ROULEY	20,950,243	21,978,925	1,028,682	4.92	WATERVILLE	2,192,400	2,530,376	337,976	15.42
MORRIS	18,222,554	20,838,235	2,615,681	14.42	ROULEY	11,707,116	13,289,197	1,582,081	13.52	WATERVILLE	3,662,844	4,391,695	728,851	19.92
MORRIS	113,026,765	131,678,317	18,651,552	16.52	ROULEY	16,866,511	17,958,752	1,092,241	6.52	WATERVILLE	26,637,929	30,962,123	4,324,194	16.22
MORRIS	7,000,117	8,270,014	1,269,897	18.12	ROULEY	2,086,094	2,387,033	300,939	14.42	WATERVILLE	999,157	1,147,490	148,333	14.82
MORRIS	15,273,342	17,267,135	1,993,793	13.12	ROULEY	1,541,682	1,658,664	116,982	7.62	WATERVILLE	2,455,379	2,850,007	394,628	16.02
MORRIS	20,930,274	23,321,135	2,390,861	11.52	ROULEY	5,744,683	6,478,778	734,095	12.82	WATERVILLE	16,411,046	19,919,741	3,508,695	21.42
MORRIS	19,563,791	23,088,235	3,524,444	18.02	ROULEY	4,190,335	4,606,620	416,285	9.92	WATERVILLE	35,718,562	39,589,373	3,870,811	10.82
MORRIS	4,056,727	4,421,530	364,797	9.02	ROULEY	21,866,511	24,650,772	2,784,261	12.62	WATERVILLE	17,133,289	18,090,286	956,997	5.62
MORRIS	14,061,451	14,714,334	652,879	4.62	ROULEY	9,105,896	1,025,991	109,095	11.92	WATERVILLE	954,748	1,090,873	136,125	14.32
MORRIS	28,863,012	31,023,601	2,160,589	7.52	ROULEY	22,587,448	23,462,049	874,601	3.92	WATERVILLE	3,751,052	4,090,448	339,396	9.02
MORRIS	12,479,348	14,336,635	1,857,287	14.12	ROULEY	84,061,827	90,884,826	6,822,999	8.12	WATERVILLE	18,224,554	20,646,337	2,421,783	13.32
MORRIS	10,314,583	12,331,384	2,016,801	19.62	ROULEY	12,752,699	13,643,353	890,654	7.02	WATERVILLE	12,018,787	12,631,180	612,393	5.12
MORRIS	2,344,110	2,385,452	41,342	1.82	ROULEY	2,945,428	3,628,001	682,573	23.22	WATERVILLE	19,611,506	21,941,852	2,330,346	11.92
MORRIS	12,722,266	14,805,709	2,083,443	16.42	ROULEY	6,114,255	8,984,061	2,869,806	46.92	WATERVILLE	60,359,359	62,611,031	2,251,672	3.72
MORRIS	12,658,286	13,552,646	894,360	7.12	ROULEY	14,239,144	17,104,550	2,865,406	20.12	WATERVILLE	1,058,844	1,191,081	132,237	12.52
MORRIS	53,648,504	57,039,819	3,391,315	6.32	ROULEY	7,133,291	7,681,913	548,622	7.72	WATERVILLE	11,935,138	14,294,245	2,359,107	19.72
MORRIS	4,568,828	5,119,233	550,405	12.02	ROULEY	8,425,898	5,225,826	(3,200,072)	-38.02	WATERVILLE	11,685,102	12,916,128	1,231,026	10.52
MORRIS	932,113	1,574,705	642,592	68.72	ROULEY	189,954,774	214,149,823	24,195,049	12.72	WATERVILLE	2,178,482	2,017,891	(160,591)	-7.42
MORRIS	5,429,123	6,469,908	1,040,785	19.12	ROULEY	5,636,779	6,104,725	467,946	8.32	WATERVILLE	7,484,304	7,889,281	384,977	5.12
MORRIS	7,805,124	9,061,195	1,256,071	16.12	ROULEY	2,805,512	3,088,737	283,225	10.12	WATERVILLE	25,969,376	27,133,239	1,163,863	4.42
MORRIS	1,276,749	1,436,116	159,367	12.52	ROULEY	24,942,665	26,686,466	1,743,801	7.02	WATERVILLE	7,717,579	8,294,211	576,632	7.52
MORRIS	10,604,452	13,873,612	3,269,160	30.82	ROULEY	26,473,993	31,253,066	4,779,073	18.12	WATERVILLE	27,846,102	30,255,265	2,409,163	8.52
MORRIS	9,792,500	11,264,550	1,472,050	15.02	ROULEY	6,724,961	6,987,724	262,763	3.92	WATERVILLE	16,585,540	18,301,133	1,715,593	10.32
MORRIS	3,152,384	3,293,495	141,111	4.52	ROULEY	6,724,961	6,987,724	262,763	3.92	WATERVILLE	36,736,654	46,605,883	9,869,229	26.92
MORRIS	53,440,501	61,223,622	7,783,121	14.62	ROULEY	19,376,079	21,665,059	2,288,980	11.82	WATERVILLE	193,096,321	220,774,188	27,677,867	14.32
MORRIS	1,172,469	1,666,684	494,215	42.12	ROULEY	1,775,121	1,822,750	47,629	2.72	WATERVILLE	7,846,006	7,944,006	98,000	1.32
MORRIS	12,301,872	13,762,627	1,460,755	11.92	ROULEY	5,261,702	5,926,960	675,258	12.82	WATERVILLE	7,094,990	7,722,217	627,227	8.82
MORRIS	6,365,558	7,118,880	753,322	11.82	ROULEY	16,105,833	17,308,301	1,202,468	7.52	WATERVILLE	19,323,658	21,297,486	1,973,828	10.22
MORRIS	555,934	636,294	80,360	14.52	ROULEY	12,577,348	14,088,220	1,510,872	11.82	WATERVILLE	7,722,217	7,944,006	221,789	2.92
MORRIS	932,113	979,166	46,053	4.92	ROULEY	48,771,161	54,585,579	5,814,418	11.92	WATERVILLE	1,973,828	2,127,217	153,389	7.82
MORRIS	603,257	554,652	(48,605)	-8.12	ROULEY	3,319,089	3,743,484	424,395	12.82	WATERVILLE	6,950,667	7,658,985	708,318	10.22
MORRIS	51,271,508	60,265,160	8,993,652	17.52	ROULEY	25,764,933	29,995,224	4,230,291	16.42	WATERVILLE	7,094,990	7,722,217	627,227	8.82
MORRIS	5,181,019	5,886,579	705,560	13.62	ROULEY	4,279,504	5,051,586	772,082	18.02	WATERVILLE	4,279,504	5,051,586	772,082	18.02
MORRIS	4,941,007	5,887,311	946,304	19.22	ROULEY	370,156	491,630	121,474	32.82	WATERVILLE	111,474	111,474	0	0.02
MORRIS	42,355,047	48,394,714	6,039,667	14.32	ROULEY	6,754,445	6,284,724	(469,721)	-7.02	WATERVILLE	(469,721)	(469,721)	0	0.02

MUNICIPAL FISCAL CALENDAR

AUGUST 1 - Department of Revenue: Property Tax Bureau; *Set guidelines for issuance of real and personal property tax bills.* A sample bill for the fiscal year and the guidelines for issuance are mailed to the city or town. If the city/town's bills do not appear as the sample does, then the city/town is requested to submit a copy of the bill to DOR for approval. Estimated bills have a separate format and must also be approved.

AUGUST 1 - Taxpayers: *Annual boat excise return due.*

AUGUST 1 - Municipal Accountants: *Notification of total receipts of preceding year.* The total actual local receipts (e.g., motor vehicle excise, fines, fees, water/sewer charges) of the previous fiscal year must be included on Schedule A of the Tax Rate Recapitulation Sheet (Recap) which is submitted by the Assessors to the DOR. On the Recap, the Accountant certifies previous fiscal year's revenues, and the Assessors use this information to project the next fiscal year's revenues. Prior year actual revenues serve as the basis for the next year's revenue estimates. Any estimate of local receipts on the recap that is higher than the previous year's actual receipts must be accompanied by documentation justifying the increase in order to be approved by the Commissioner of Revenue.

AUGUST 10 - Assessors: *Last day to appeal the Commissioner's Equalized Value, SEE July 20.* Last date to change proposed EQV's.

AUGUST 15 - Treasurers: *Fourth quarter reconciliation of cash for the previous fiscal year (due 45 days after end of quarter).* The last reconciliation of cash report of the prior fiscal year provides a general summary of the Treasurer's investment activities for the year. (SEE November's First Quarter Reconciliation of Cash.)

AUGUST 31 - Taxpayers: *Last filing day for classified forest land.*

AUGUST 31 - Department of Revenue - Bureau of Accounts: *Complete Tax Rate Recapitulation Sheet (to set tax rate).* Until the Tax Rate Recapitulation Sheet is completed, the city/town may not set a tax rate nor send out its property tax bills (with the exception of requesting from the DOR the authority to send out an estimated bill provided DOR requirements are met). The city/town should begin gathering the information

during August in order to provide enough time for the tax rate to be set and first commitments mailed by October 1. The Tax Rate Recapitulation Sheet provides Selectmen a ready-made financial management tool because much of the city/town's critical financial management information is summarized on this form. The Selectmen should review the recap sheet in preliminary form in order to understand the following financial information:

Part I (TAX RATE SUMMARY) - The proposed tax levy, this should be compared to the levy limit. If a city/town does not levy to the limit, the remaining levy is referred to as excess levy capacity. Excess levy capacity is lost to the city/town for the current fiscal year although it will always remain in the levy limit calculation.

Part II (AMOUNT TO BE RAISED) - This section includes appropriations and other local expenditures not appropriated. Other local expenditures include overlay deficits, revenue deficits, state and county charges, cherry sheet offset items, and the allowance for abatements and exemptions. By comparing this information to the prior year(s), any significant changes can be determined.

Part III (ESTIMATED RECEIPTS AND REVENUES FROM OTHER SOURCES) - In particular, Section C, which shows the amount appropriated from free cash and other available funds, should be reviewed. By comparing the amounts appropriated to the balances in these accounts (available from the Accountant), the Selectmen would have a sense of the use of their non-property tax revenues.

SCHEDULE A (Local Receipts not allocated) - By comparing these figures to prior year(s), the Selectmen can determine the rate at which these revenues are increasing.

WORKSHOP FOR NEW OFFICIALS

The Division of Local Services will be offering a workshop for those local finance officers who are new to office in late August and September. This workshop will be conducted during evening hours in various regional locations.

This program serves as an introduction to municipal finance law, and topics such as Proposition 2 1/2, budget preparation, duties and responsibilities of fiscal officials, and the Open Meeting Law will be covered. Newly elected/appointed local officials will be afforded the opportunity to meet DLS staff and to learn more about the resources available to them.

* * * * *

Everything You Always Wanted to Know About Levy Limits... But Were Afraid to Ask

All local officials are invited to participate in DLS sponsored workshops on Proposition 2 1/2, levy limits, debt exclusions and overrides which will be taking place in the fall of 1988 and early spring of 1989. The Division is planning to offer the workshop in six regional locations during the evening hours for the convenience of part-time officials. The first session is slated to be held in Berkshire County in September.

Information regarding the dates and locations of the above two programs will be sent to each city and town. Further questions on the workshops may be directed to Jean McCarthy, Coordinator of Training at (617) 727-2458.

CHANGE OF ADDRESS

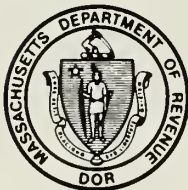
The DLS has changed its mailing address. Please update your records as follows:

Division of Local Services
200 Portland Street
Boston, MA 02114 - 1715
(617) 727-2300 (All bureaus)
WATS line - 800-521-5536

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(617) 727-2300
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CITY & Town



A monthly publication of the Massachusetts Department of Revenue's
Division of Local Services

Stephen W. Kidder
Commissioner

Edward J. Collins, Jr.
Deputy Commissioner

THE REVISED PROPERTY TAX LAW

New legislation makes two significant changes in the property tax classification law which are effective immediately.

Chapter 200 of the Acts of 1988 will allow qualifying communities, at local option, to shift just so much of the tax burden to commercial, industrial and personal properties so as to maintain the most favored residential share since the community's adoption of a classified tax system. The new law also permits communities to double the benefit of the residential exemption from 10% to 20%.

The dramatic increases in residential real estate values in the past three years, reflected in triennial revaluations, has shifted a greater portion of local property taxes to residential property owners. Chapter 200 will help halt that shift.

If residential properties' percentage share of the community's total valuation is greater than the share borne by it in the preceding year, a community qualifies to use Chapter 200's expanded limits. Municipal officials may then expand the commercial, industrial and personal properties' share from 150% to 175%, provided the resulting residential share is not less than the lowest share borne by the residential class since the community was first certified.

The increase in the residential exemption will benefit lower valued, owner-occupied dwellings, and is paid for by apartments and higher valued homes.

The Division of Local Services will provide guidelines and training to assist assessors in implementing the new law.



SEPTEMBER 12 - 16: Department of Revenue; Course 101. *Assessment Administration: Law, Procedures, Valuation.* University of Massachusetts, Amherst - 9:00 a.m. - 5:00 p.m.

SEPTEMBER 13: Department of Revenue; *Classification Training Workshop.* University of Massachusetts, Amherst - 7:00 p.m. - 9:30 p.m.

SEPTEMBER 20: Department of Revenue; Course 101. *Assessment Administration: Law, Procedures, Valuation.* Worcester State College - 7:00 p.m. - 10:00 p.m. (Course will run for ten Tuesday evening sessions).

SEPTEMBER 20: Department of Revenue; Course 101. *Assessment Administration: Law, Procedures, Valuation.* Worcester State College - 7:00 p.m. - 10:00 p.m. (Course will run for ten Tuesday evening sessions).

SEPTEMBER: Department of Revenue; *The Collection of Taxes.* North Shore location. (Course will consist of three weekly sessions) - 9:00 a.m. - 4:00 p.m.

LOCAL PROFILE

Marion Fantucchio, Secretary - Treasurer Massachusetts Association of Assessing Officers

Marion Fantucchio's career in public service began in 1952 when she became a clerk in the Quincy assessors office. For more than thirty years, she provided administrative support, progressively assumed higher positions within the office, and in 1984, was appointed to the Board of Assessors by the Mayor of Quincy.

In 1979, Ms. Fantucchio was elected Secretary-Treasurer of the Massachusetts Association of Assessing Officers (MAAO). She is responsible for notifying members of meetings, maintaining the membership roll, notifying members of and collecting dues, coordinating and mailing course manuals, and for managing the MAAO's correspondence and business affairs. Within the MAAO, Marion serves on the legislation and public information committees. The purpose of the former is to review those legislative bills affecting or governing the activities of the assessors, to improve or change those which adversely affect assessors, and to promote legislation that would benefit them. The public information committee seeks to maintain good relations with the taxpayer by clarifying taxation laws and procedures. One such effort was made in cooperation with the Division of Local Services over a year ago and resulted in a brochure entitled "You and Your Property Taxes".

Ms. Fantucchio has worked at length with DLS on other projects as well, including the DOR's Assessor's Course 200 which she teaches. She has also taught the DOR's Clerk's Course and courses in office administration and in Motor Vehicle Excise. Marion provided much assistance in producing the DOR's *Assessor's Manual*. She is a member of the International Association of Assessing Officers (IAAO) and the Northeastern Regional Association of Assessing Officers.

A lifelong resident and long-time employee of the City of Quincy, Marion Fantucchio sees improving computerization in city offices to better serve the taxpayers as a main objective. For the MAAO, Marion's goal is to expand membership and to offer more benefits to its members. "Every assessor who is not one already should be a member so that we can all help each other." According to Ms. Fantucchio, an invitation to join the MAAO is available now in the form of a brochure explaining all that the Association has to offer the assessors in the Commonwealth. She hopes the brochure will encourage non-members to join the MAAO.

MUNICIPAL FISCAL CALENDAR

SEPTEMBER 15 - Accountants; *Complete Balance Sheet for prior fiscal year due for submission to the Bureau of Accounts.* By MGL Chapter 44, Section 43, the balance sheet must be submitted to the DOR on or about this time. DOR certifies free cash based on its review of the balance sheet. Submission of the balance sheet is critical because only after free cash is certified by DOR may it be appropriated by town meeting.

SEPTEMBER 15 - Treasurers; *Cash Management Achievement Reports to be submitted to the Bureau of Accounts.* These reports are used to monitor local cash and investment practices. DOR requests information regarding the amount of money invested annually, the rate of return earned by the town and any compensating balances the town may maintain in banks. Although this is not an absolute measure of investment performance, this information can be useful not only as a measure of the rate of return on investments by a municipality, but also, of prime importance, it allows the town to

review its cash management practices, investment policies and, if desired, to make adjustments to bring about increased returns.

SEPTEMBER 30 - Department of Revenue; *Notification of quarterly local aid payments before September 30.* Generally, a letter is forwarded to the Treasurer in advance of a payment indicating what funds (e.g., Chapter 70, Additional Assistance, Lottery, and Highway Fund) will be included in the check distributed on or before September 30, less quarterly assessments. The Treasurer should forward a copy of this letter to the Accountant for record-keeping purposes.

SEPTEMBER 30 - Accountants; *Submit Debt Report to Bureau of Accounts.* In order to accurately compute a municipality's borrowing capacity for funded debt in any given fiscal year, the municipality must submit a record of outstanding debt. This information is used by DOR to monitor each municipality's debt capacity in relation to statutory limits.

Focus on *Municipal Finance*

A regular supplement to CITY & Town

Residential Property Tax Bills

This issue of CITY & Town FOCUS presents information on average single family residential property tax bills for FY88, for 300 of the cities and towns in Massachusetts.

An individual property owner's tax bill is derived by multiplying the assessed valuation of the particular parcel of property by the tax rate of the particular class of property — the amount of dollars owed per \$1000 of taxable valuation.

The assessment of each parcel of property is determined by the Assessors, the local officials responsible for determining the value of all the community's real and personal property. Assessments are based upon "full and fair cash value" — the amount a willing buyer would pay a willing seller for the property. The tax rate is determined by the community's officials, by dividing the amount of the levy — the amount of real and personal property taxes the community chooses to levy — by the community's total assessed value.

All communities are required by law to classify real and personal property into one of five different categories: residential, open space, commercial, industrial, and personal. The community then has the option of taxing these classes at different rates, according to the particular property classification. For FY88, a total of 89 Massachusetts communities adopted multiple tax rates.

Communities are allowed to shift the property tax burden among the major property classes within certain limits established by law. Adoption of different rates for different classes of property determines the share of the total levy to be borne by each class. A *minimum residential factor* established by the Department of Revenue is used to ensure that any shift off the residential class is not so great as to create a disproportionate burden for the other classes.

Communities also have the option of adopting a *residential exemption* applied to owner-occupied residences, which exempts from taxation a certain percentage of the average value of all residential property. This exemption shifts the residential tax burden onto more expensive housing and housing

that is not occupied by the owner as a principal residence, such as an apartment building or a vacation home. It also increases the overall residential rate. For FY88, 9 communities adopted residential exemptions.

Communities can also apply a discount to the open space class as a method of alleviating the tax burden on that vacant land. The amount of the tax burden that is removed from the open space class is transferred to the residential class and may not be shifted to any of the other classes of property. For FY88, 4 communities adopted open space discounts.

Legislation recently signed into law makes certain changes in the law which governs the minimum residential factor and the residential exemption. See "The Revised Property Tax Law" in this issue of CITY & Town.

The data in this FOCUS were developed by: (1) selecting those communities for which complete data on tax rates, single family residential property assessed valuation and parcel counts are available; (2) dividing the assessed valuation of the single family residential property in each community by the number of single family parcels; and (3) multiplying this average single family assessed valuation by the appropriate tax rate for each community.

Statewide, the average single family residential tax bill for FY88 was \$1417, ranging from a high of \$4477 to a low of \$161. 64 communities (21%) had average bills of under \$1001; 193 communities (64%) had average bills of from \$1001 to \$2000; 43 communities (14%) had average bills of \$2000 or above.

By Kind of Community, the average single family bill was as follows:

Residential Suburbs: \$2073
Economically Developed Suburbs: \$1840
Growth Communities: \$1300
Urbanized Centers: \$1280
Resort, Retirement, Artistic Communities: \$1110
Rural Economic Centers: \$1035
Small Rural Communities: \$ 971

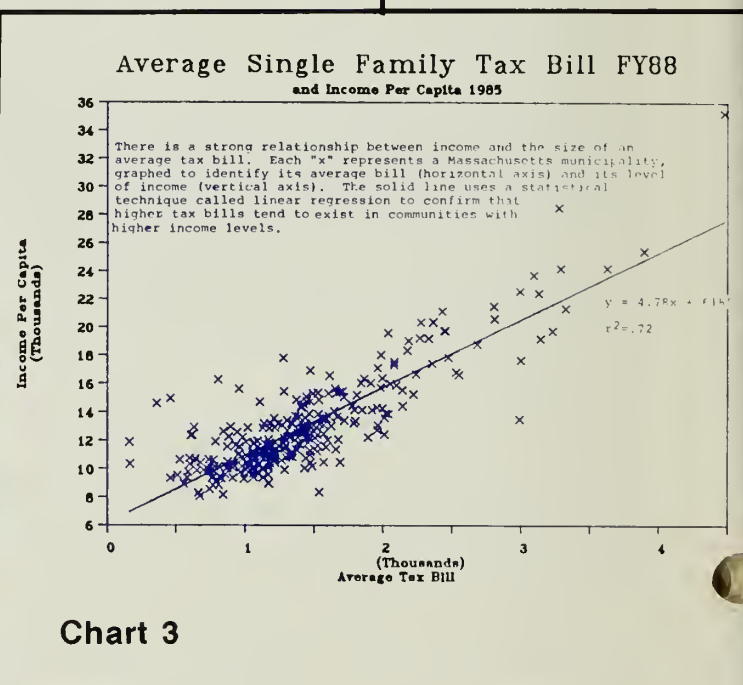
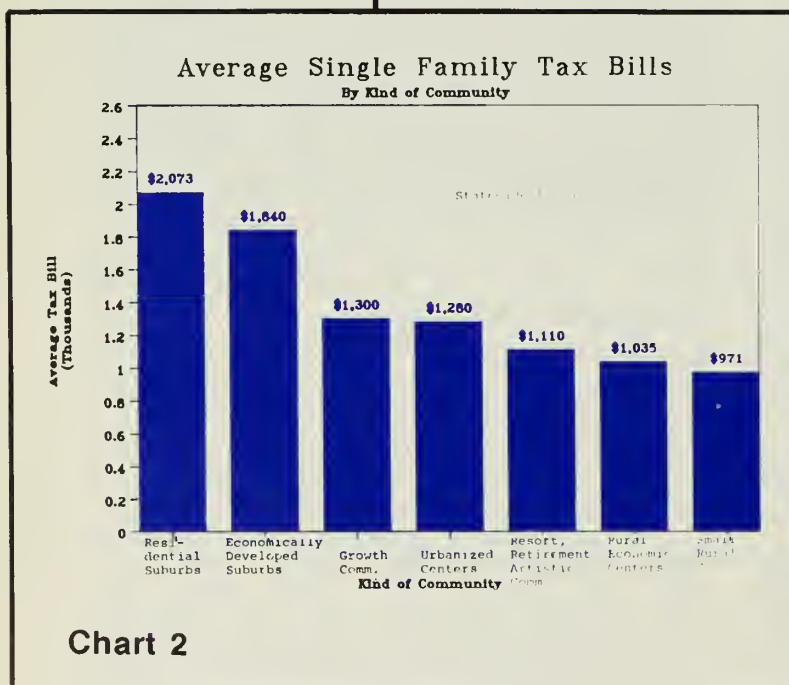
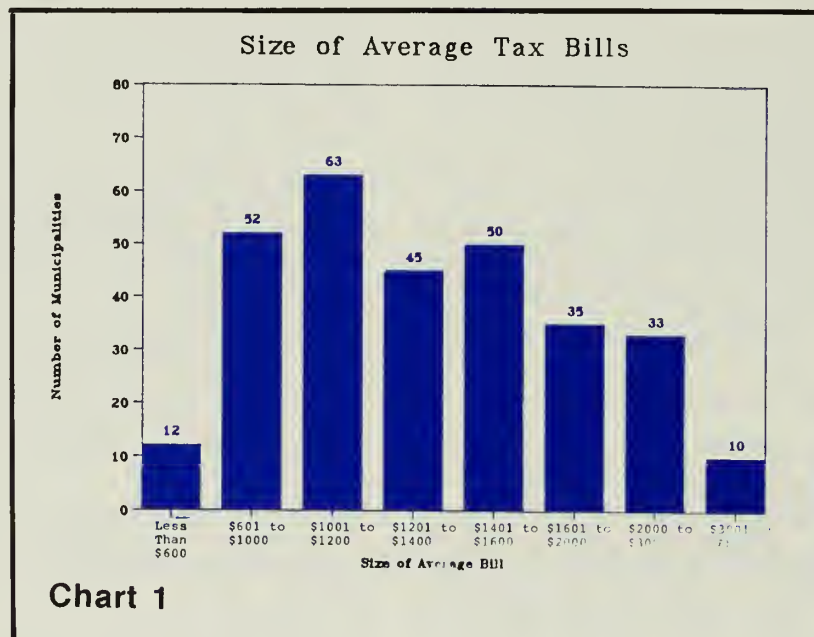
CITY & Town FOCUS cont'd...

There is also a strong correlation between a community's per capita income and the size of a community's average tax bill. Use of a statistical technique, linear regression, shows that higher single family tax bills tend to exist in communities with higher per capita income levels.

The following charts show: (1) size of average single family tax bill, broken down by the number of communities by tax bill grouping; (2) the average single family tax bill for these communities, organized by the Department of Education's Kind of Community Classification; and (3) the relationship between the average single family tax bill and per

capita income. The following report shows, by community: assessed value of all single family parcels, number of single family parcels, residential tax rate, average single family tax bill, and rank in size of tax bill from high to low.

CITY & Town FOCUS is jointly developed by the Analysis Unit and the Municipal Data Management/Technical Assistance Bureau of the Division of Local Services. This issue of **CITY & Town FOCUS** was prepared by Julie Slavet and Leslie Kirwan of the Analysis Unit and John Sanguinet and Roger Hatch of MDM/TAB. For more information, contact the Analysis Unit or MDM/TAB at 727-2300.



AVERAGE SINGLE-FAMILY RESIDENTIAL TAX BILLS FY88

AVERAGE SINGLE-FAMILY RESIDENTIAL TAX BILLS FY88

ASSESSOR'S NAME	ASSESSED VALUE OF ALL SINGLE FAMILY PARCELS	SINGLE FAMILY PARCELS	AVERAGE TAX RATE	AVERAGE SING FAM TAX BILL	HI TO LO RANK IN TAX BILL*
ABINGTON	236,325,700	3,019	20.22	\$1,583	81
ACTION	600,120,500	4,093	18.30	\$2,683	16
ACUSHNET	129,478,150	2,302	17.34	\$1,975	239
ALFORD	35,688,700	383	8.64	\$805	265
AMESBURY	301,479,900	2,616	13.20	\$1,921	94
ANDOVER	503,020,000	3,927	12.00	\$1,537	88
ANDOVER	1,726,999,300	7,259	9.15	\$2,174	32
ANDOVER	950,508,850	7,856	17.46	\$3,139	33
ASHMUNHAM	126,851,380	1,648	14.10	\$1,985	214
ASHFIELD	34,652,400	526	15.28	\$1,006	235
ASHLAND	419,022,100	2,559	12.18	\$1,994	45
ATHOL	113,105,008	2,708	11.00	\$1,459	296
ATTLEBORO	691,342,800	6,782	11.75	\$1,198	175
AUBURN	120,487,600	1,226	15.12	\$1,006	226
AVON	2,350,509,300	17,754	9.95	\$1,304	150
BARNSTABLE	51,519,150	890	16.40	\$1,949	244
BARNSTABLE	52,181,300	1,271	12.20	\$1,997	290
BECKET	589,884,900	3,754	10.75	\$2,051	38
BEDFORD	260,475,100	3,754	16.89	\$1,172	184
BELLINGHAM	977,221,200	4,500	16.10	\$2,139	9
BELMONT	72,114,759	1,071	15.00	\$1,010	233
BENNING	54,995,500	632	16.14	\$1,404	126
BENNING	33,944,654	579	18.25	\$1,070	216
BERNARDSTON	1,068,281,240	6,883	13.00	\$2,018	41
BEVERLY	1,389,140,500	9,390	9.23	\$1,382	134
BILLERICA	170,054,900	1,548	10.30	\$1,130	197
BLACKSTONE	31,459,172	509	15.30	\$1,957	241
BLACKSTONE	159,514,470	929	11.40	\$1,957	49
BOLTON	3,481,075,700	28,961	10.77	\$1,295	153
BOSTON	142,224,970	571	8.18	\$2,037	39
BOYDSTOWN	576,094,357	1,892	7.44	\$2,665	28
BOYDSTOWN	116,515,410	987	12.93	\$1,426	91
BRANTREE	1,302,339,500	8,671	9.56	\$1,436	117
BRESTER	372,700,500	4,030	12.35	\$1,142	195
BRIARCLIFF	503,357,350	3,381	10.53	\$1,562	83
BRIARCLIFF	59,533,200	835	15.46	\$1,104	204
BROOKTON	1,432,285,590	15,161	12.93	\$1,426	156
BROOKFIELD	30,729,900	600	18.00	\$1,006	251
BURLINGAME	15,940,020	254	19.35	\$1,006	254
BURLINGTON	1,095,924,600	6,158	7.70	\$1,370	137
BURLINGTON	1,089,577,600	3,543	9.79	\$1,989	13
CANTON	524,552,100	4,420	14.45	\$1,115	64
CANTON	300,972,500	3,546	16.56	\$1,085	68
CARVER	316,257,900	2,316	12.34	\$1,887	5
CHATHAM	26,373,480	385	20.40	\$1,090	210
CHATHAM	189,240,957	2,437	9.40	\$1,372	278
CHATHAM	661,056,185	4,881	8.14	\$1,102	205
CHATHAM	912,793,500	8,271	11.89	\$1,067	66
CHESTER	44,201,000	807	11.66	\$1,339	284
CHESTERFIELD	25,779,451	432	17.00	\$1,014	231
CHICPEE	709,057,380	10,327	14.67	\$1,007	234
CHILMARK	379,250,162	910	2.29	\$954	243
CLINTON	196,051,398	1,876	9.48	\$1,012	232
CLINTON	27,201,017	567	16.80	\$806	264
CONCORD	1,081,848,840	4,299	11.89	\$2,992	12
CONCORD	36,756,900	483	17.00	\$1,301	152
CORNING	9,129,100	197	18.40	\$1,989	239
CUMMINGTON	106,343,400	1,694	11.30	\$1,086	213
DANVERS	615,816,700	5,670	15.36	\$1,668	70
DEERFIELD	666,408,200	6,538	14.44	\$1,472	102
DEERFIELD	98,820,600	1,186	10.70	\$893	252
DENNIS	1,362,763,100	10,527	4.74	\$614	267
DIGHTON	109,914,500	1,502	16.24	\$1,188	178
DUNSTABLE	119,154,200	1,414	13.84	\$1,165	187
DUXBURY	392,863,600	1,504	12.53	\$2,273	6
DUXBURY	723,435,376	5,488	11.08	\$1,430	111
DUXBURY	157,230,800	2,211	9.82	\$743	274
DUXBURY	78,949,850	630	10.88	\$1,343	139
DUXBURY	930,596,300	4,353	14.03	\$2,999	11
EAST BRIDGE	185,494,210	2,522	20.40	\$1,471	104
EAST BRIDGE	34,899,200	673	16.00	\$830	261
EAST LONGMEAD	343,672,150	4,214	17.60	\$1,435	119
EASTMAN	392,868,060	4,087	8.77	\$1,983	259
EASTHAMPTON	101,446,800	1,604	16.65	\$1,033	225
EASTMAN	406,855,800	4,076	17.20	\$1,717	63
EDMUNDS	592,611,200	2,973	5.47	\$1,090	209
EDMUNDS	80,822,225	665	9.35	\$1,136	186
ENRIK	33,661,900	417	7.25	\$1,381	292
ESSEX	107,055,400	955	12.32	\$1,381	133
FAIRHAVEN	285,984,400	4,843	18.05	\$1,065	218
FAIRHAVEN	338,004,100	7,340	15.00	\$1,672	291
FITCHBURGH	1,329,861,700	5,394	17.77	\$1,987	212
FOXBOROUGH	1,256,238,741	3,207	22.50	\$1,798	59
FRANKLIN	586,331,400	4,476	11.63	\$1,523	93
FREETOWN	176,473,250	2,335	15.61	\$1,180	180
GARDNER	221,063,700	3,078	15.15	\$1,088	211
GEORGETOWN	173,618,500	1,694	14.60	\$1,476	98
GILL	19,977,200	372	11.20	\$1,358	289
GLoucester	1,024,772,900	6,810	12.55	\$1,890	54
GLoucester	4,020,564	58	2.32	\$1,61	300
GRAND	101,420,700	1,595	18.86	\$1,199	114
GRAND	29,108,780	437	15.70	\$1,046	228
GREAT BRIDGE	156,404,000	1,986	19.72	\$1,467	107
GREENFIELD	262,883,300	3,798	12.50	\$1,073	215
GROTON	300,202,595	2,092	10.48	\$1,573	89
GROTON	115,508,500	1,442	17.35	\$1,402	137
HADLEY	107,669,032	1,187	10.00	\$1,972	246
HADLEY	115,882,150	1,551	18.82	\$1,420	187
HAMILTON	266,204,900	2,153	17.02	\$2,095	35
HAMPDEN	168,079,930	1,465	12.26	\$1,387	132
HAMPDEN	24,945,818	384	10.00	\$630	283
HANDOVER	481,802,800	3,255	12.10	\$1,186	61
HANDOVER	187,145,600	2,493	17.62	\$1,333	147
HANDOVER	342,938,100	1,401	8.20	\$2,007	43
HARDWICK	561,717,000	6,327	12.00	\$1,065	217
HARDWICK	84,156,730	909	12.50	\$1,157	192
HARDWICK	751,262,400	7,440	11.59	\$1,211	171
HARDWICK	1,080,220,000	5,721	13.10	\$2,474	19
HOLDEN	189,486,600	2,810	20.40	\$1,376	126
HOLDEN	362,116,400	4,404	17.56	\$1,444	113
HOLLAND	450,211,430	1,137	16.67	\$1,778	268
HOLLISTON	415,331,200	3,566	17.12	\$1,994	44
HOLYOKE	296,630,826	4,928	14.18	\$1,854	258
HOPKINTON	289,759,700	2,533	14.55	\$1,662	71
HOPKINTON	49,513,172	1,453	18.60	\$3,51	285
HUDSON	308,957,964	3,704	18.80	\$1,568	85
HULL	273,593,200	3,566	22.00	\$1,467	106
HUNTINGTON	26,888,940	580	22.00	\$1,058	221
IPSWICH	354,775,660	2,950	13.65	\$1,612	74
KINGSTON	241,327,000	2,533	9.76	\$1,397	129
LAKEVILLE	292,947,359	2,705	10.54	\$1,050	226
LANCASTER	186,002,500	1,471	10.54	\$1,333	144
LANESBOROUGH	74,123,000	1,123	17.00	\$1,124	201
LEE	116,238,800	1,572	12.50	\$1,394	242
LEE	187,402,100	2,413	11.70	\$1,276	250
LEICESTER	189,771,069	1,487	10.00	\$1,276	159
LENOX	739,799,700	6,223	10.30	\$1,248	164
LEVERETT	69,789,555	552	10.30	\$1,302	151
LEXINGTON	2,015,408,700	8,558	10.32	\$2,430	22
LEYDEN	18,248,870	459	12.60	\$1,300	279
LITTLETON	533,632,400	1,397	9.88	\$1,624	3
LITTLETON	212,222,460	2,098	15.84	\$1,602	78
LONGMEAD	885,882,700	5,246	13.99	\$2,362	23
LOWELL	961,112,665	10,779	11.86	\$1,056	223
LYNN	227,974,406	3,443	17.80	\$1,179	181
LYNN	1,108,272,100	10,561	12.02	\$1,262	163
LYNNFIELD	795,477,800	3,551	10.52	\$1,360	24
MALDEN	437,544,300	5,347	17.51	\$1,423	119
MALDEN	345,770,400	1,472	14.15	\$1,324	4
MALDEN	377,998,700	3,210	12.34	\$1,453	110
MALDEN	1,105,611,800	5,885	12.50	\$1,442	21
MALDEN	358,921,150	1,637	6.64	\$1,444	114
MALDEN	1,031,377,150	7,463	11.60	\$1,604	77
MALDEN	438,570,900	4,285	11.00	\$1,126	200
MALDEN	429,275,300	2,537	13.18	\$1,388	88
MALDEN	273,457,048	2,537	13.18	\$1,388	88
MALDEN	408,422,750	2,713	15.85	\$1,556	72
MALDEN	789,587,900	7,665	15.50	\$1,597	73

* 300 of 354 communities submitted valid data.
1-Highest 300=Lowest

AVERAGE SINGLE-FAMILY RESIDENTIAL TAX BILLS FY88

AVERAGE SINGLE-FAMILY RESIDENTIAL TAX BILLS FY88

	ASSESSSED VALUE OF ALL SINGLE FAMILY PARCELS	SINGLE FAMILY PARCELS	TAX RATE	AVERAGE SING. FAM. TAX BILL	HI TO LO RANK IN TAX BILL*		ASSESSSED VALUE OF ALL SINGLE FAMILY PARCELS	SINGLE FAMILY PARCELS	TAX RATE	AVERAGE SING. FAM. TAX BILL	HI TO LO RANK IN TAX BILL*		ASSESSSED VALUE OF ALL SINGLE FAMILY PARCELS	SINGLE FAMILY PARCELS	TAX RATE	AVERAGE SING. FAM. TAX BILL	HI TO LO RANK IN TAX BILL*
MERWAY	374,956,300	2,469	12.91	\$1,961	48	PLAINVILLE	195,623,800	1,352	9.52	\$1,377	135	TISBURY	294,864,005	1,697	11.26	\$1,956	51
MERUSE	1,069,452,900	6,285	11.95	\$1,919	52	PLYMOUTH	1,366,979,570	13,025	13.00	\$1,364	138	TOLLAND	45,456,000	1,283	4.60	\$163	299
MERON	129,966,200	1,094	11.31	\$1,831	145	PLYMOUTH	83,901,144	675	13.33	\$1,557	72	TOWNSFIELD	238,566,200	1,627	14.90	\$2,185	31
MERRIMAC	86,450,500	1,017	15.61	\$1,337	146	QUINCY	1,591,197,000	13,600	12.22	\$1,430	120	TOWNSEND	288,264,600	2,210	8.90	\$1,161	191
METHUEN	1,164,756,990	8,743	10.62	\$1,454	109	RANDOLPH	826,549,600	6,634	12.50	\$1,538	87	TRURO	214,520,525	1,354	5.55	\$879	253
MIDDLEBOROUGH	363,107,900	3,607	11.81	\$1,098	268	RAYNHAM	197,094,600	2,404	15.60	\$1,279	158	TYNDSBOROUGH	166,770,800	1,993	14.78	\$1,237	166
MIDDLEFIELD	10,845,500	233	14.20	\$759	273	READING	1,032,795,900	6,069	13.03	\$2,217	30	UPTON	145,230,300	1,169	9.44	\$1,173	183
MIDDLETON	112,852,220	1,203	11.40	\$1,407	143	REHOBOTH	192,609,200	2,418	18.08	\$1,512	95	WAKEFIELD	291,305,800	5,769	11.59	\$1,791	60
MILFORD	412,577,170	4,544	15.36	\$1,359	140	REVERE	576,626,540	4,797	11.37	\$1,439	115	WALPOLE	831,411,219	5,007	12.10	\$2,009	42
MILLBURY	345,026,195	2,887	9.94	\$1,168	177	RICHMOND	73,576,175	2,383	11.54	\$356	298	WALTHAM	882,058,600	8,067	13.23	\$1,447	112
MILLS	257,835,400	1,745	12.50	\$1,847	56	ROCHESTER	120,413,920	1,319	13.00	\$1,187	179	WARE	156,326,200	1,830	12.87	\$1,099	207
MONTAGUE	96,912,783	66	21.00	\$788	271	ROCKLAND	411,438,300	3,167	11.00	\$1,429	121	WAREHAM	591,958,600	8,096	12.45	\$910	248
MOUNT WASHINGTON	12,246,500	131	5.64	\$527	294	ROCKPORT	312,190,100	2,480	12.15	\$1,529	89	WARREN	51,446,791	1,099	13.63	\$776	269
NANT	237,156,400	1,100	10.58	\$2,228	29	ROWLEY	167,472,130	1,033	8.80	\$1,427	122	WARRICK	15,322,900	285	15.00	\$806	263
NANTUCKET	1,288,349,400	9,449	5.54	\$3,472	103	ROXBURY	19,070,100	345	10.60	\$553	293	WATERTOWN	11,953,800	206	11.50	\$661	282
NATICK	899,955,900	7,434	15.60	\$1,859	57	RUSSELL	20,150,500	355	19.36	\$1,099	206	WAYLAND	391,148,980	3,016	15.09	\$1,956	50
NEEDHAM	2,681,576,670	7,674	8.67	\$2,074	37	RUTLAND	102,497,878	1,292	13.70	\$1,055	224	WAYLAND	1,048,195,200	3,759	11.09	\$3,092	10
NEW BEDFORD	4,318,600	50	5.07	\$456	267	SALEM	497,536,200	4,552	13.48	\$1,266	162	WELLESLEY	2,545,723,400	7,038	8.45	\$3,129	9
NEW BEDFORD	473,166,500	10,746	15.05	\$841	260	SANDWICH	592,634,200	5,560	10.70	\$1,266	161	WELLESLEY	265,043,680	2,296	7.52	\$970	255
NEW BRANTREE	10,405,900	168	16.50	\$1,022	229	SHARON	788,324,250	6,340	11.27	\$1,401	128	WENDELL	19,619,700	273	16.25	\$1,168	185
NEW HARBOROUGH	46,999,415	450	8.80	\$606	238	SHAWMUT	10,525,400	224	16.70	\$785	267	WENHAM	230,421,730	927	9.87	\$2,453	20
NEEDHAM	179,381,800	1,970	13.00	\$1,208	172	SITUATE	1,203,553,800	6,092	10.61	\$1,978	47	WEST BOSTON	207,492,300	1,699	13.00	\$1,588	20
NEEDHAM	491,035,200	3,817	12.61	\$1,852	114	SEABOARD	526,555,500	3,914	10.36	\$1,418	124	WEST BROOKFIELD	67,741,037	966	13.53	\$930	247
NEEDHAM	4,028,019,600	16,866	11.76	\$2,137	14	SEABOARD	516,449,700	4,435	17.86	\$2,080	37	WEST NEWBURY	100,799,170	868	18.42	\$2,139	34
NORFOLK	261,670,800	2,918	17.59	\$1,571	82	SHEFFIELD	81,599,760	965	13.80	\$1,167	186	WEST SPRINGFIELD	466,947,900	5,916	14.40	\$1,176	181
NORTH ADAMS	94,584,760	2,425	19.68	\$767	272	SHELBOURN	12,384,970	243	16.00	\$815	262	WEST STOCKBRIDGE	54,199,700	588	14.17	\$1,306	149
NORTH ANDOVER	685,223,300	4,938	13.02	\$1,509	58	SHERBORN	376,817,900	1,271	13.13	\$3,893	168	WEST STOCKBRIDGE	214,394,600	1,044	6.66	\$1,244	155
NORTH ATTLEBORO	569,559,600	4,995	14.10	\$1,468	105	SHERBORNE	12,478,750	916	13.16	\$1,048	227	WESTBURY	521,928,910	2,774	9.40	\$1,863	35
NORTH ATTLEBOROUGH	573,759,440	3,201	9.92	\$1,778	42	SHERBORNE	597,062,402	6,130	14.42	\$1,424	123	WESTFIELD	526,646,406	7,646	19.48	\$1,342	142
NORTH BARNSTABLE	312,774,770	3,102	18.95	\$1,811	53	SHERBORNE	482,674,360	5,313	12.40	\$1,127	199	WESTFORD	517,992,900	4,229	13.49	\$1,652	73
NORTH BARNSTABLE	147,768,650	2,107	17.49	\$1,213	169	SHERBORNE	217,210,320	2,435	13.52	\$1,216	168	WESTHAMPTON	36,951,700	479	17.40	\$1,339	143
NORTH BARNSTABLE	42,413,260	870	16.40	\$546	245	SOUTH ADAMS	281,972,800	3,737	13.75	\$1,188	176	WESTMINSTER	131,990,950	2,082	14.90	\$982	238
NORTH BARNSTABLE	347,247,200	2,881	11.45	\$1,483	100	SOUTHAMPTON	103,923,900	1,277	14.08	\$1,146	193	WHITMAN	1,225,483,300	3,093	11.30	\$4,477	1
NORWELL	612,920,860	2,781	11.40	\$2,531	16	SOUTHAMPTON	257,348,300	1,871	14.40	\$1,981	46	WILBRID	348,207,500	3,851	18.98	\$1,706	65
NORWICH	896,622,700	5,483	9.00	\$1,462	108	SOUTHBOROUGH	127,880,920	2,211	15.52	\$1,129	198	WILLIAMSTOWN	257,140,000	1,728	11.24	\$1,673	69
NORWICH	322,737,200	2,477	8.44	\$865	257	SOUTHBOROUGH	130,124,400	2,235	20.80	\$1,211	172	WILMINGTON	483,657,350	5,267	14.27	\$1,719	148
NORWICH	44,262,500	431	10.30	\$1,040	220	SOUTHWICK	139,765,041	2,470	12.00	\$679	280	WINCHESTER	154,593,550	1,860	11.91	\$990	227
ORANGE	61,179,900	1,276	15.18	\$740	276	STERLING	141,470,900	1,625	16.59	\$1,426	116	WINCHESTER	1,223,215,200	5,268	13.60	\$3,228	7
ORANGE	44,017,200	2,887	8.88	\$1,281	157	STOCKBRIDGE	115,004,100	997	11.95	\$1,075	160	WINDSOR	28,330,100	266	8.14	\$570	286
ORANGE	68,683,950	1,278	12.45	\$556	291	STONEHAM	866,184,800	4,613	10.95	\$3,037	40	WINDSOR	351,913,900	2,276	7.82	\$1,343	141
ORANGE	232,072,350	2,862	13.45	\$1,106	203	STOUGHTON	466,497,600	5,782	17.11	\$1,568	84	WINDSOR	483,657,350	5,267	14.27	\$1,719	148
ORANGE	102,650,300	1,155	16.75	\$1,491	99	STOUGHTON	229,321,399	1,671	15.32	\$2,081	36	WINCHESTER	154,593,550	1,860	11.91	\$990	227
ORANGE	1,000,995,000	9,150	16.37	\$1,506	97	STOUGHTON	229,321,399	2,692	17.16	\$1,113	170	WINCHESTER	1,223,215,200	5,268	13.60	\$3,228	7
ORANGE	38,686,100	372	18.37	\$1,312	158	SUBURBAN	73,226,100	4,532	17.66	\$1,603	15	WINDSOR	28,330,100	266	8.14	\$570	286
ORANGE	581,589,700	4,350	10.00	\$1,286	155	SUNNYSIDE	43,357,865	528	9.00	\$342	275	WINDSOR	351,913,900	2,276	7.82	\$1,343	141
ORANGE	281,105,200	2,150	17.40	\$1,568	36	SUTTON	219,369,600	1,659	9.76	\$1,231	154	WINDSOR	483,657,350	5,267	14.27	\$1,719	148
ORANGE	14,417,200	202	17.00	\$1,087	202	SWAMPSCOTT	79,792,300	3,229	11.28	\$2,549	37	WINDSOR	483,657,350	5,267	14.27	\$1,719	148
ORANGE	603,276,975	10,651	12.89	\$1,061	219	SWAMPSCOTT	47,086,400	1,106	16.59	\$1,567	160	WINDSOR	483,657,350	5,267	14.27	\$1,719	148
ORANGE	16,411,200	145	14.50	\$1,164	189	TELETON	80,145,900	1,858	11.89	\$369	295	WINDSOR	483,657,350	5,267	14.27	\$1,719	148
ORANGE	16,411,200	145	14.50	\$1,164	189	TENNESSEE	564,060,000	6,480	15.40	\$1,388	130	WINDSOR	483,657,350	5,267	14.27	\$1,719	148

STATE AVERAGE SINGLE FAMILY BILL = \$1,417 (FY88)

* 300 of 351 communities submitted valid data.
† Highest lowest

Several bills concerning municipal finance and local taxation have recently been signed into law. The following are summaries of the new laws:

Ch. 90 Including Regional Veterans' Districts Under the Provisions of Proposition Two and One-Half, So Called

Allows regional veterans' districts to utilize the assessment override mechanism as provided by Proposition 2 1/2. Effective September 26, 1988.

Ch. 93 Increasing the Compensation of a City Clerk Serving as Clerk of the City Council

Allows cities, by local option, to increase the salaries of clerks who are required to serve as clerks to the city council, from a maximum of \$2000 up to \$4000. Effective September 26, 1988.

Ch. 126 Relative to Real Estate Tax Abatements

Requires a vote of town meeting, rather than vote of selectmen, to implement additional property tax relief under Ch. 73 of the Acts of 1986. Effective October 12, 1988.

Ch. 164 Act Making Appropriations for the Fiscal Year Nineteen Hundred and Eighty-Nine

FY 1989 state budget. Section three sets out local aid figures and requires cities, towns and regional school districts to submit the prior fiscal year's annual financial reports to the Department of Revenue. If such reports are not timely received (October 31 is the deadline set by the Bureau of

Accounts) so that certification can be made, the state treasurer is required to withhold local aid payments. Section eight of the budget requires cities and towns in FY 1989 to report to the Department of Revenue any increase in assessed valuation as described in G.L. Ch. 21C, para (f), so-called "new growth".

Ch. 200 Relative to Residential Classification Burdens

Would allow certain communities to maintain the advantage of the original classification law by allowing them to shift to the commercial class as much of the tax burden (within a 50%/175% limit) as necessary for maintaining the residential share since the inception of a classified tax system. The law would also allow communities to double the benefit of the residential exemption. Effective immediately, July 26, 1988.

Ch. 225 Establishing a Stabilization Fund by Regional School Districts

Authorizes regional school districts to maintain stabilization funds for capital projects and to raise money to deposit such funds in their annual budgets. Informational Guideline Releases (I.G.R.) will be issued on each of these new laws as soon as possible.

CHILD SUPPORT LIENS

ATTENTION CITY OR TOWN CLERKS: On July 22, 1986 Chapter 310 was enacted, transferring overall responsibility for child support enforcement from the Department of Public Welfare to the Department of Revenue (DOR) effective July 1, 1987. Chapter 490 of the Acts of 1987 gave DOR statutory authority to lien, levy and seize property to recover past-due child support. Our investigators have begun to record liens at the Office of the Secretary of State, registries of deeds, and city/town clerks' offices.

Many of our workers have been asked about DOR's legal authority to lien property to recover past-due child support. Our statutory authority is spelled out under Mass. General Laws chapter 119A S.6 (b)(2). A lien for child support is to be handled in the same manner as DOR's tax liens.

If you or the city/town counsel have any questions, please feel free to call Associate Deputy Commissioner Allan Breen at (617) 621-4230..

JUST RELEASED

DOR's Division of Local Services is very pleased to announce the release of *Municipal Bulletin 29: Laws Relating to Municipal Finance and Taxation*. This new publication merges the updated versions of *Bulletin 28* and the *1987 General Laws Relating to Taxation* (commonly referred to as the "Red Book"). Copies of *Bulletin 29* will shortly be mailed to: assessors, selectmen, city/town councilors, mayors, city/town managers and administrators, treasurers, collectors, clerks, superintendents (city, town, regional), finance committee chairs, solicitors (city/town), chief financial officers and finance directors.

Additional copies of the Bulletin may be obtained at cost. Questions regarding the *Municipal Bulletin* should be directed to: The Department of Revenue, Division of Local Services, 200 Portland Street, Boston, MA 02114; ATTN: Kathleen Maillet.

The Latest in Financial Management Assistance

The Municipal Data Management and Technical Assistance Bureau (MDM/TAB) offers consulting services to cities and towns on a wide range of municipal finance topics. All management analysis and assistance are provided at no charge to the community.

NORTH ADAMS: Update of Financial Analysis:

At the request of the Joint Labor-Management Committee (JLMC), the Division of Local Services prepared a financial analysis of the city of North Adams. This report's purpose was to update an earlier analysis that had been prepared to give the JLMC and labor and management representatives information for purposes of collective bargaining.

CONWAY, DEERFIELD, SUNDERLAND, & WHATELY: Fiscal Impact of Proposed School Reorganization:

These reports estimate the net financial impact on the towns of Conway, Deerfield, Sunderland and Whately resulting from the proposed expansion of the Frontier Regional School District. At present, the Regional District provides education for the children of its four member communities in grades seven through twelve (7-12). The proposed reorganization of the District would consist of expanding educational services to include Kindergarten through Grade 12 (K-12). Consequently, the towns would no longer carry the annual expense required to support their local districts. However, the towns would incur an increased regional school assessment and lose some state aid for education.

CHESTERFIELD: Revenue and Expenditure Forecast:

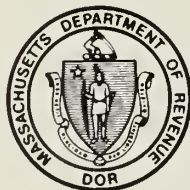
At the request of the Chesterfield Board of Selectmen, the Division's Technical Assistance Unit prepared a three-year Revenue and Expenditure Forecast. This report reviewed the town's current financial condition and compared the cost of maintaining the current level of services for the period FY89 - FY91 to projected revenues.

CITY & Town, a publication of the Massachusetts Department of Revenue's Division of Local Services, is published 11 times per year. The Division is responsible for oversight and assistance to cities and towns in achieving equitable property taxation and efficient fiscal management.

(617) 727-2300

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CITY & Town



A monthly publication of the Massachusetts Department of Revenue's
Division of Local Services

Stephen W. Kidder
Commissioner

Edward J. Collins, Jr.
Deputy Commissioner

MUNICIPAL ELECTION INVALIDATED

An unsuccessful candidate for reelection to the Revere School Committee brought suit against the Board of Election Commissioners in November of 1987. The plaintiff contended that his loss of the election was caused by a printer's error. He had not been designated as a candidate for reelection on ballots distributed in five of Revere's six wards. The printing error was unintentional and was not discovered by the plaintiff or the election commissioners until late in the day of the election. A single justice of the Supreme Judicial Court dismissed the plaintiff's request for an order requiring the defendant board to schedule a new election with properly printed ballots.

The Supreme Judicial Court reversed that decision in the case of *Rizzo v. Board of Election Commissioners of Revere*, 403 Mass. 20 (1988) and ordered that the Board schedule a new election as soon as reasonably possible.

In the November 1987 general city election, the plaintiff (Mr. Rizzo) who had served on the committee continuously since 1966 was a candidate for reelection with defendants Meli, Goodwin, and Ferrante. Defendants Martino, Moschella, Ciarlone and Rose were also candidates. On all ballots, the names Meli, Ferrante, and Goodwin were accompanied by the words "Candidate for Reelection." Rizzo was properly identified on the ballots in only one of Revere's six wards.

Meli, Ferrante, and Goodwin, who were designated on all six ballots as candidates for reelection received 4,977, 4,893, and 4,716 votes respectively and were reelected. Martino, Rose, and Moschella were newly elected with a respective 4,260, 4,221 and 4,051 votes. The plaintiff received 3,874 votes and Ciarlone got 4,046... both were defeated.

All ballots, according to General Laws c.54 41 (1986 ed.) must contain the words "Candidate for Reelection" in the same space as the name of an incumbent candidate for city office. This mandate was violated in this case because a realistic possibility existed that the statutory violation influenced the outcome of the election. Therefore, the election could not stand.

The Supreme Judicial Court couldn't assume that failure to designate the plaintiff as a candidate for reelection did not significantly influence its outcome. The three candidates who had been designated as incumbents got the highest number of votes and although the margin was small (less than 1% of the total votes separated the plaintiff from the elected candidate with the least amount of votes), there was a real possibility that voters unfamiliar with the candidates' names, but satisfied with the past performance of the school committee would have voted for Rizzo had they seen "Candidate for Reelection" after his name on the ballot. It is also conceivable that, because of a general bias in favor of candidates with experience or due to the reluctance of voters to turn someone out of office without good reason, the voters would have decided differently.

The ballots gave voters misleading information. Not only did the ballots omit a material fact, but by describing the other three incumbents as candidates for reelection, they clearly implied that the plaintiff *was not* an incumbent. The Court ruled that ballots giving voters incorrect information with significant potential for influencing voter preference should invalidate the election. The case of *McCavitt v. Registrars of Voters of Brockton*, 385 Mass. 833 (1982) set the following standard; "whenever the irregularity or illegality of an election is such that the result of the election would be placed in doubt, then the election must be set aside and the judge must order a new election."

Mr. Rizzo, however, won the battle but lost the war. Not only was he defeated in the August election, but he came in 693 votes *further* behind the successful candidate with the least amount of votes than he did last November. In addition, Mr. Moschella, who *was* elected in the fall, was defeated in the second election by Mr. Ciarlone who had lost by six votes before.

MUNICIPAL FISCAL CALENDAR

OCTOBER 1 - Municipal Accountants: *Prior to the budget process, begin estimating municipal revenues for next fiscal year (based on the prior calendar year) for submission to the finance committee.*

OCTOBER 1 - Taxpayers: *Last date for filing applications for exemptions under clause 42 & 43.*

These are property tax exemptions for a surviving spouse or minor children of a police officer or firefighter killed in the line of duty.

OCTOBER 1 - Taxpayers: *Last date to file applications to have land valued and taxed as agricultural/horticultural land or recreational land.*

OCTOBER 1 - Taxpayers: *Last date to file abatement applications.* By MGL Chapter 59, section 59, applications for abatements are due for tax bills mailed by September 1, or thirty days after mailing.

OCTOBER 31 - Accountants: *Schedule A for prior fiscal year.* This report is a statement of the revenues received, expenditures made and all other transactions related to the town's finances during the previous fiscal year.

The Schedule A classifies revenues and expenditures into detailed categories that will provide information essential for an analysis of

revenues and expenditures generated by various departments. This data, as other financial information reported to DOR, is in DOR's Municipal Data Bank. As such, we may provide time series, comparative and other types of analysis at the request of the town. This information is also sent to the U.S. Census Bureau and eliminates a prior federal reporting requirement. Failure to file by this date will result in withholding major distributions of state aid until the Schedule A is accepted by BOA.

****REMINDER - Selectmen:** *Begin establishing next fiscal year budget guidelines and requesting department budgets.*

2 1/2 WORKSHOP

Though Proposition 2 1/2 has been in effect for seven years, there are still many local officials who do not fully grasp the many important facets of this complex law. Several amendments to the law have added to the confusion.

The Division of Local Services has developed a workshop for the purpose of clarifying to local officials: ways a community can increase its levy limit, the calculation of the levy limit, the impact of new growth on the levy limit, the concept of excess levy capacity, the differences between overrides, debt exclusions, and capital outlay expenditure exclusions, and to answer other questions regarding Proposition 2 1/2. Clear, concise explanations of levy limits, levy ceilings, various referenda questions including overrides and debt exclusions will be presented and should prove invaluable to local officials struggling to live within the constraints of 2 1/2.

All local officials from police chiefs to finance directors will find this a timely and informative workshop. Interested citizens are encouraged to attend as well.

Workshops will be held in various regional locations during evening hours to accommodate part-time officials. Mailings will be sent to each city and town with registration. There will be no charge for the workshops or the materials. Please see the CITY & Town Calendar for this month's workshop schedule and if you have further questions, contact Jean McCarthy, Coordinator of Training at (617) 727-2300.

THE LATEST IN TECHNICAL ASSISTANCE

GRANBY, GOSHEN, HANOVER, SOUTHAMPTON, & STURBRIDGE: Review of Assessing Offices

At the request of the Boards of Selectmen and Assessors, the Division's management consulting team, drawn from the Municipal Data Management & Technical Assistance Bureau and the Bureau of Local Assessment, recently completed five reviews of the Assessing offices for the towns of Granby, Goshen, Hanover, Southampton, and Sturbridge. All of the reviews presented findings and made recommendations in the areas of staff workload, staff resources, revaluation plans, office space, and maintenance of key documents. The team made further recommendations concerning the staffing and organization of Goshen's and Sturbridge's offices designed to improve the timeliness of the town's tax billing and overall efficiency of the assessing operations. In Granby, Hanover and Southampton, recommendations included a cost analysis of a variety of staffing and software options.

Focus on *Municipal Finance*

A regular supplement to CITY & Town

UPDATE: Proposition 2 1/2 Referenda Questions

This issue of CITY & Town FOCUS provides information on communities' use of the voter approved levy capacity increases allowed by Proposition 2 1/2. This issue updates previous DOR analyses on voter approved increases by providing data on those increases which impact on Fiscal Year 1988 levy capacity.

Proposition 2 1/2 provides for three referenda questions that allow voter approved increases in the levy capacity of communities:

An override enables a community permanently to increase its levy limit by a specific dollar amount for costs that the community expects will continue into the future.

Exclusions enable a community temporarily to assess taxes in excess of its levy capacity for certain capital projects:

A debt exclusion enables a community to assess taxes in excess of its levy limit for the purpose of raising funds to pay for the costs of debt service for capital projects. This exclusion remains in effect for the life of the debt only.

A capital outlay expenditure exclusion enables a community to assess taxes in excess of its levy limit for the purpose of raising funds to pay for the costs of capital projects. This exclusion only affects the levy limit for the year in which the project is being undertaken.

FINDINGS

In FY88, **109** communities approved and applied at least one of these three referenda questions, increasing statewide levy capacity by a total of **\$49.1 million**. Debt exclusions accounted for **83%** of this increased levy capacity — **90** communities added **\$40.7 million** to their levy capacity through this provision. Through overrides, **40** communities permanently increased their levy limits by **\$6 million**. Through capital outlay expenditure exclusions, **12** communities increased their levy capacity by **\$2.4 million**.

The impact of levy capacity increases on individual communities' levy capacity varies. Statewide, total FY88 levy capacity* is **\$68.8 million** higher as a result of the cumulative impact of all overrides, debt exclusions, capital outlay expenditure exclusions, and reduction eliminations** than it would be

otherwise. Without the impact of these referenda questions, total statewide levy capacity for FY88 would be **\$3.78 million** — with these increases, total FY88 statewide levy capacity was **\$3.85 million**. These voter approved increases produced a **1.8%** increase in FY88 statewide levy capacity.

The first referenda questions were passed by communities effective for FY83. Since then, both the number of communities approving overrides and the statewide dollar amount of overrides approved remained fairly stable from FY83 through FY85, decreased for FY86, and increased in FY87 and FY88. In FY83, **21** communities approved overrides, while in FY88, **40** communities approved overrides. The statewide amount of overrides rose from **\$1.5 million** in FY83 to **\$6 million** in FY88. In addition, in FY88, communities first approved overrides in amounts of **\$1 million** and greater.

The table below shows the number of communities and the total amount of overrides adopted from FY83 through FY88.

<u>Overrides</u>	
<u>Number of Communities:</u>	<u>Total Amount:</u>
FY83: 21	\$1,540,486
FY84: 16	\$1,058,451
FY85: 14	\$1,276,766
FY86: 13	\$ 772,248
FY87: 34	\$2,247,235
FY88: 40	\$6,007,549

From FY83 through FY88, communities approved a total of **\$12.9 million** in overrides. It is important to note that the impact of overrides is cumulative; the amount of an override in any year becomes part of the levy limit base of the community, increasing along with the levy limit at the rate of 2.5% from year to year. Thus the cumulative impact of the **\$12.9 million** in overrides approved from FY83 through FY88 on FY88 levy limits is **\$13.4 million**.

Twenty seven, or **67.5%**, of the communities that adopted overrides in FY88 passed overrides in previous years as well. **Seven** communities adopted overrides in one previous year; **6** communities adopted overrides in 2 previous years; **9** communi-

ties adopted overrides in 3 previous years: 3 communities adopted overrides in 4 previous years; and 2 communities adopted overrides in 5 previous years.

In FY88, 90% of the communities adopting overrides fell into three community categories: Resort/Retirement/Artistic communities (40%), Residential Suburbs (27.5%), and Small Rural Communities (22.5%). In addition, 87.5% of communities adopting overrides in FY88 had populations of 5000 or less.

Since FY83, communities have steadily increased their use of the debt exclusion provision. In FY83, only 11 communities adopted debt exclusions, adding \$1.6 million in temporary levy capacity, while in FY88, 90 communities used debt exclusions to add a total of \$40.7 million in temporary levy capacity. The predominant purposes for FY88 debt exclusions were for school, water and sewer, and land projects.

The table below shows the number of communities and the total amount of debt exclusions adopted from FY83 through FY88.

Debt Exclusions		
Number of Communities:		Total Amount:
FY 83:	11	\$ 1,584,163
FY 84:	23	\$ 5,775,788
FY 85:	42	\$ 8,625,632
FY 86:	60	\$15,299,067
FY 87:	79	\$26,475,526
FY 79:	90	\$40,676,539

In FY88, debt exclusions were adopted by a wider diversity of communities than those adopting overrides. In FY88, 38.8% of the communities that adopted debt exclusions had populations of less than 5000; 26.6% had populations of from 5000 to 10,000, and 34.4% had populations of 10,000 or more.

FY88 was the first year in which communities were able to adopt capital outlay expenditure exclusions. Twelve communities temporarily added \$2.4 million to their levy capacity for capital projects. The predominant purpose for FY88 capital exclusions was for equipment purchases. 83% of these communities were Resort/Retirement/Artistic Communities. 83.3% of communities adopting capital exclusions had populations of less than 5000.

Debt Exclusions	
Kind of Community-% of Debt Exclusions	
Residential Suburbs	24.4%
Resort/Retirement/Artistic	22.2%
Economically Developed Suburbs	15.5%
Growth Communities	14.4%
Small Rural Communities	12.2%
Rural Economic Centers	10.0%
Urbanized Centers	1.1%

The graphs on page 7 illustrate (1) dollar amounts statewide and (2) number of communities adopting overrides and exclusions for capital purposes by year, from FY83 through FY88. The printout shows the dollar amount of overrides, debt exclusions, and capital outlay expenditure exclusions and the total of these voter approved levy capacity increases adopted for FY88, by community. This report combines the dollar amounts of each successful referenda question vote into that particular category (ie, override, debt exclusion, capital outlay expenditure exclusion) for each community. The amounts cited may thus reflect more than one successful vote taken by a community in a year.

RESOURCES

For more information on the mechanics of Proposition 2 1/2, contact the Division of Local Services for a copy of Everything You Always Wanted to Know About Levy Limits...But Were Afraid to Ask: A Primer on Proposition 2 1/2.

For more information on overrides, debt exclusions, and capital outlay expenditure exclusions, contact the Division of Local Services for a copy of Proposition 2 1/2 Referenda Questions.

The Division of Local Services will be offering a series of Workshops on Proposition 2 1/2 during the fall of 1988 and the spring of 1989. See "Training Calendar" in this issue of CITY & Town.

Notes:

* For the 346 communities that have set their FY88 tax rates.

** Proposition 2 1/2 enabled communities to vote to forego all or a portion of the annual 15% cuts required in levies higher than 2.5% of full and fair cash value.

Although the legislation requiring a statement of purpose for an override was effective July 15, 1987, we do not provide this information because a negligible number of override votes for FY88 were impacted by this legislation.

This issue of FOCUS was developed by Leslie Kirwan and Julie Slavet of the Analysis Unit, Hugh Reilly and Tony Rassias of the Bureau of Accounts, and Roger Hatch and John Sanguinet of the Municipal Data Management/Technical Assistance Bureau.

Continued on page 7

REFERENDA QUESTIONS FY88

COMMUNITY	COMM CODE	FY 88 OVERRIDE	FY 88 DEBT EXC	FY 88 CAP EXP EXCL	FY 88 TOTAL
ABINGTON	001	0	521240	0	521240
ACTON	002	0	1167490	0	1167490
ALFORD	006	7566	0	34000	41566
ASHBURNHAM	011	0	173528	0	173528
ASHFIELD	013	19121	0	0	19121
ASHLAND	014	0	363000	0	363000
AVON	018	0	434500	0	434500
BARNSTABLE	020	0	2212255	0	2212255
BARRE	021	0	243534	0	243534
BECKET	022	49798	0	0	49798
BEDFORD	023	0	1283655	0	1283655
BELMONT	026	0	500000	0	500000
BERLIN	028	30000	25535	0	55535
BILLERICA	031	0	486878	0	486878
BLANDFORD	033	13731	34933	0	48664
BOLTON	034	57217	0	0	57217
BREWSTER	041	0	1267344	0	1267344
CARLISLE	051	105800	586254	0	692054
CARVER	052	1638929	662779	0	2301708
CHARLTON	054	0	281280	0	281280
CHATHAM	055	259610	458975	0	1601317
CHESHIRE	058	0	62700	0	62700
CHESTER	059	11673	24923	0	36596
CHESTERFIELD	060	14384	23218	0	37602
CHILMARK	062	207861	55538	0	263399
CONWAY	068	18580	0	0	18580
CUMMINGTON	069	0	24575	0	24575
DALTON	070	0	683	0	683
DENNIS	075	0	246500	0	246500
DOUGLAS	077	0	217350	0	217350
DOVER	078	0	467110	0	467110
DUXBURY	082	0	399559	0	399559
EASTHAM	086	515357	0	0	515357
EASTON	088	0	215560	0	215560
EDGARTOWN	089	0	966120	100,000	1066120
EGREMONT	090	30000	0	0	30000
ESSEX	092	0	15770	0	15770
FALMOUTH	096	0	2479460	0	2479460
FOXBOROUGH	099	0	697050	0	697050
GAY HEAD	104	110000	61780	0	171780
GEORGETOWN	105	0	8581	0	8581
GROTON	115	0	77000	0	77000
HADLEY	117	0	75000	225500	300500
HARWICH	126	0	960183	0	960183
HAWLEY	129	4802	0	0	4802
HINGHAM	131	0	30000	0	30000
HOLBROOK	133	0	568450	0	568450
HOLLAND	135	49183	0	0	49183
HOLLISTON	135	0	356099	0	356099
HOPKINTON	139	0	371114	0	371114
HUBBARDSTON	140	0	52062	0	52062
HULL	142	0	251521	0	251521
KINGSTON	145	0	331030	0	331030
LINCOLN	157	137629	568740	0	706369
LITTLETON	158	0	459950	0	459950
LONGMEADOW	159	0	386863	0	386863
LUNENBURG	162	0	92018	0	92018

REFERENDA QUESTIONS FY88

COMMUNITY	COMM CODE	FY 88 OVERRIDE	FY 88 DEBT EXCL	FY 88 CAP EXP EXCL.	FY 88 TOTAL
MANCHESTER	166	0	190552	0	190552
MANSFIELD	167	0	705375	0	705375
MARION	169	83224	0	0	83224
MASHPEE	172	0	1026643	0	1026643
MATTAPOISETT	173	0	0	295400	295400
MIDDLEFIELD	183	20000	0	0	20000
MILLIS	187	0	149845	0	149845
MONTGOMERY	194	9200	28420	0	37620
NANTUCKET	197	0	3155201	0	3155201
NEW ASHFORD	200	0	5000	0	5000
NEW MARLBOROUGH	203	19125	57589	21141	97855
NORFOLK	208	0	198250	0	198250
NORTHFIELD	217	0	47000	0	47000
ORLEANS	224	0	768450	0	768450
OTIS	225	24808	26749	0	51557
PELHAM	230	17800	0	0	17800
PERU	233	0	6470	0	6470
PHILLIPSTON	235	17500	41334	0	58834
PLYMOUTH	239	0	2207358	0	2207358
PRINCETON	241	372000	62542	0	434542
ROCKLAND	251	0	537563	0	537563
SANDWICH	261	0	1872320	0	1872320
SHEFFIELD	267	0	0	123959	123959
SHERBORN	269	0	271064	0	271064
SHREWSBURY	271	0	248850	0	248850
SHUTESBURY	272	0	6726	0	6726
SOMERSET	273	0	369280	0	369280
SOUTHBRIDGE	278	0	220495	0	220495
SOUTHWICK	279	0	109875	0	109875
STOW	286	107390	122601	0	229991
SUTTON	290	0	276210	0	276210
TISBURY	296	1000000	177759	235000	1412759
TRURO	300	191569	31804	97000	320373
TYNGSBOROUGH	301	0	190706	0	190706
WARWICK	312	8100	0	0	8100
WAYLAND	315	0	463726	0	463726
WELLESLEY	317	0	486212	0	486212
WELLFLEET	318	27000	295975	0	322975
WENDELL	319	55000	0	0	55000
WENHAM	320	63217	0	159330	222547
WEST NEWBURY	324	0	25000	0	25000
WEST STOCKBRIDGE	326	105759	7567	64727	178053
WEST TISBURY	327	225471	154350	196000	575821
WESTHAMPTON	331	18682	0	0	18682
WESTMINSTER	332	0	217219	0	217219
WESTON	333	341600	1103786	0	1445386
WESTWOOD	335	0	571600	0	571600
WHITMAN	338	0	731150	0	731150
WILMINGTON	342	0	1653100	0	1653100
WINDSOR	345	7200	21136	0	28336
WORTHINGTON	349	11663	0	0	11663
YARMOUTH	351	0	584000	0	584000

GRAND TOTAL

FY 88	OVERRIDE	=	6007549
FY 88	DEBT EXCL.	=	40676539
FY 88	CAP EXP EXCL.	=	2434789
FY 88	TOTAL	=	49118877

Chart 1

DOLLAR AMOUNTS STATEWIDE

FOR OVERRIDES AND EXCLUSIONS FOR CAPITAL PROJECTS

DOLLARS (IN THOUSANDS)

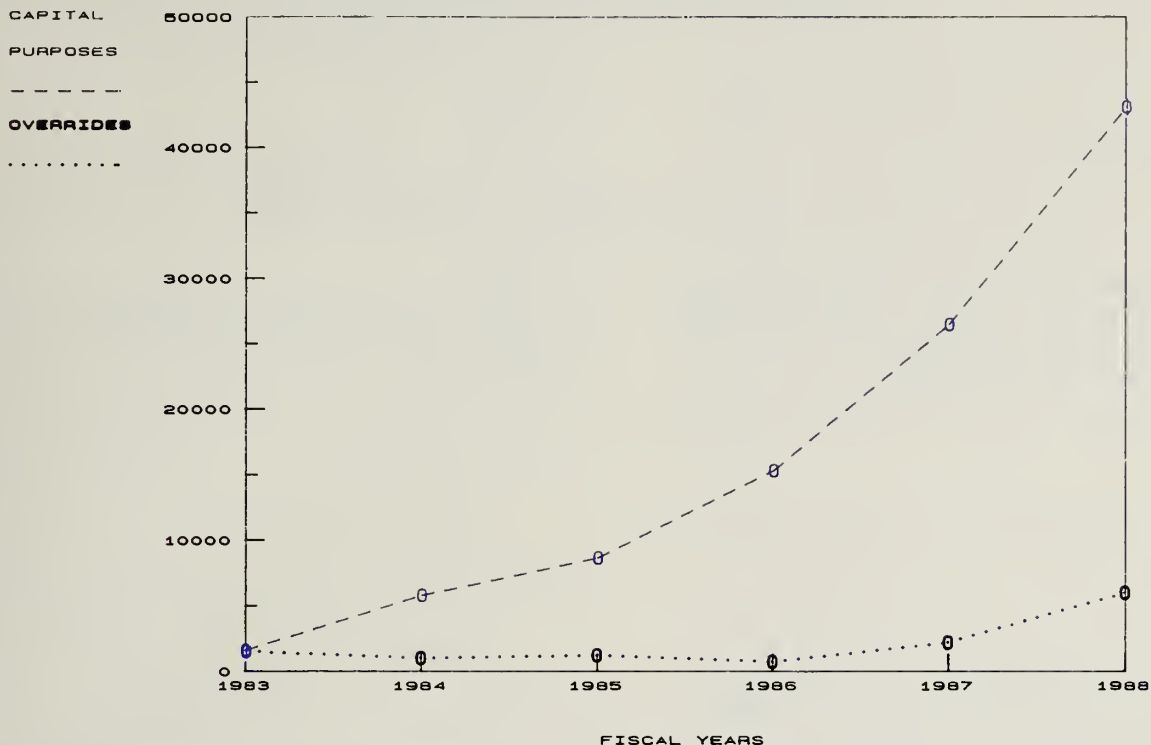
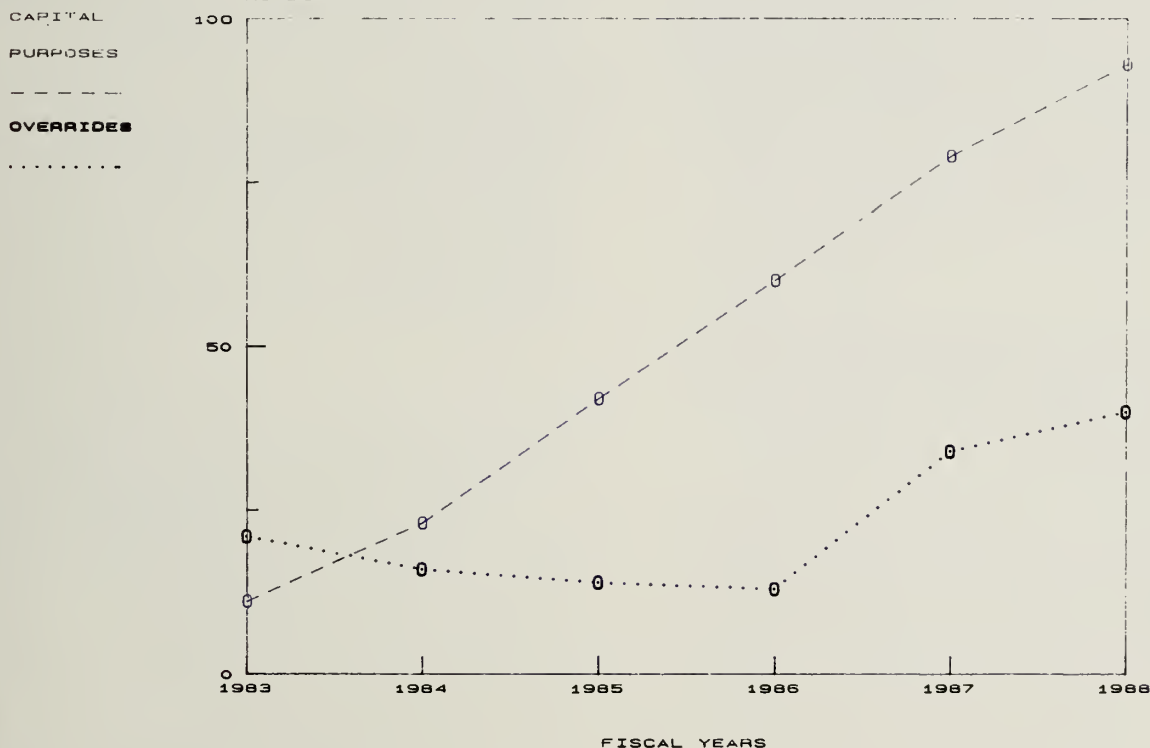


Chart 2

NUMBER OF COMMUNITIES

WITH OVERRIDES AND EXCLUSIONS FOR CAPITAL PROJECTS

NUMBER





BEGINNING SEPTEMBER 20 : Department of Revenue; *Assessment Administration: Law, Procedures, Valuation*, Worcester State College. Course presented in ten sessions to be held Tuesdays from 7:00 p.m. to 10:00 p.m. until November 29. ** There will be no classes from November 7th to the 11th.

OCTOBER 4 : Department of Revenue; *Course 100, Assessment Office Procedures*, Mt. Wachusett Community College in Gardner - Course presented in six sessions to be held Tuesdays from 9:00 a.m. to 12:00 p.m. until November 8.

OCTOBER 5 : Department of Revenue; *Everything You Ever Wanted to Know About Proposition 2 1/2*, Berkshire Community College, Pittsfield - 7:00 to 10:00 p.m.

OCTOBER 6 : Department of Revenue; *Everything You Ever Wanted to Know About Proposition 2 1/2*, Holyoke Community College, Holyoke - 7:00 to 10:00 p.m.

OCTOBER 27 : Department of Revenue; *"What's New in Municipal Law?"* Northampton Hilton Hotel - 9:00 a.m. to 4:00 p.m.

CONTEST DECISION POSTPONED

We at the Division of Local Services regret that we must postpone announcing the winner of our "Rename Free Cash" Contest until the November issue of CITY & Town. The volume of entries we received is such that our judges have had difficulty in reaching a unanimous decision. We thank readers who submitted entries for their participation. The winner will definitely be announced next month and again, we apologize for the delay. Your patience is appreciated.

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CITY & Town



A monthly publication of the Massachusetts Department of Revenue's
Division of Local Services

Stephen W. Kidder
Commissioner

Edward J. Collins, Jr.
Deputy Commissioner

An Introduction to Tax Reform

In 1986 the federal government enacted one of the most sweeping reforms of the tax codes in U.S. history. While most people became aware of it when they filled out their tax returns last April, local finance officials have dealt with its implications for two years. The law significantly affects the way municipalities borrow money. The federal government took such action for two reasons. Firstly, issuing tax exempt debt allows purchasers to avoid federal taxation thus reducing federal revenues. By restricting tax exempt debt, Congress was able to increase projected federal revenues to balance reduced taxes in other areas of the Tax Law. The second reason for the restrictions was to control the use of arbitrage. Arbitrage is the ability of an issuer to borrow at tax exempt rates and invest the proceeds at higher taxable rates. The following introduction outlines the combined impact of the tax law on the issuance of municipal bonds.

Although the responsibility of understanding and implementing the new law is mainly that of the local treasurer, all local officials should be familiar with it since it affects budget planning and major construction projects. The Act brought about three major changes: one affecting the tax-exempt status of municipal bonds, a second limiting arbitrage earnings and the third restricting the purchasers of tax exempt securities.

The new law made a stronger distinction between governmental-use and private-activity bonds. Governmental-use bonds are those used to fund projects beneficial to the general public (schools, roads, public buildings). These bonds' federal income tax-exempt status will continue in almost all cases. Private-activity bonds under the new law are those which are viewed as benefiting private parties. An example of private-activity bond use would be municipality constructing a building and then renting a significant portion of it out to a third party.

Most communities should not have a problem with the revised private-activity bonds. It is in the best interest of communities to work in cooperation with bond counsel and financial advisors when considering possible taxable issues.

Arbitrage limitations constitute the most significant impact of the Tax Reform Act on Massachusetts cities, towns and districts. The new law acutely limits a municipality's ability to earn arbitrage on borrowed funds. Prior to Tax Reform, treasurers took the proceeds of bonds or notes and invested them at higher rates in certificates of deposit, treasury bills, and money market accounts to maximize earnings. These interest earnings were usually greater than the interest cost the municipality paid on the borrowed money. These earnings went into the general fund and often meant significant revenue for the city or town.

The new law limits arbitrage by requiring that investment income of bond or note proceeds higher than the interest expense that is being paid on the bond or note be rebated to the Federal Government. If a community does not comply with this requirement, it risks losing its tax-exempt status, retroactive to the issuance date.

The Tax Reform Act contains provisions which enable cities and towns to earn arbitrage income without having to pay the rebate. Municipalities need only adhere to one of the following conditions to avoid the rebate:

The issuer's annual debt is small: No rebate is required with respect to a governmental-use bond or note if the issuer does not expect to issue more than \$5 million in bonds and notes during the calendar year of issue. This limit applies to the total long and short-term debt which is originally issued during the year. Renewals of prior loans do not count. This exception provides the greatest opportunity for small and medium sized issuers to escape the worst consequences of the tax law. If the

Continued on page 7

MUNICIPAL FISCAL CALENDAR

NOVEMBER 15: Treasurers: First quarter reconciliation of cash (due 45 days after end of quarter): A reconciliation is the process of comparing the Treasurer's accounts to those of the Accountant to determine if they are consistent and to make corrections where necessary. When a reconciliation is completed, the Accountant should indicate the appropriate report acceptance or rejection on the report. If there appears to be a consistent pattern of disagreement between the Accountant's and Treasurer's figures (i.e., non-reconciliations) DOR's Bureau of Accounts will follow up on the matter and assist in the resolution. Reconciliations are required at least every quarter. The town may prefer to make monthly reconciliations since waiting too long may make the task very difficult. The town may find these reports helpful in monitoring cash practices of the financial offices. If the Accountant and Treasurer are not consistently reconciling accounts, the Selectmen should inquire as to the reasons.

NOVEMBER 18: Selectmen: Review budgets submitted by department heads.

DECEMBER 15: Taxpayer: Deadline for applying for property tax exemptions.

DECEMBER 30: DOR:MDM/TAB: Notification of quarterly local aid payments before December 30. See September's Notification of quarterly aid payment.

DECEMBER 31: Taxpayer: Deadline for filing application for abatement of motor vehicle excise for prior calendar year.

DECEMBER 31: Water/Sewer Commissioners & Selectmen: Deadline for betterments to be included on next year's tax bill (MGL Chapter 80, section 13 and Chapter 83, section 27). Selectmen - Begin to finalize budget recommendations for review by Finance Committee.



NOVEMBER 15: "Everything You've Ever Wanted to Know About Proposition 2 1/2", Greenfield Community College, Greenfield (Lecture Hall) 7:00 p.m. - 10:00 p.m.

NOVEMBER 15 & 22: Course 101 *Assessment Administration: Law, Procedures, Valuation* 7:00 - 10:00 p.m. - Worcester State College.

NOVEMBER 29: "Everything You've Ever Wanted to Know About Proposition 2 1/2" 7:00 - 10:00 p.m. - Massachusetts Bay Community College, Wellesley

NOVEMBER 30: "Everything You've Ever Wanted to Know About Proposition 2 1.2" 7:00 - 10:00 p.m. - UMass Medical Center, Worcester

DECEMBER 6 & 13: Course for Accountants/Auditors 9:00 a.m. - 4:00 p.m. Holyoke Community College

**** Date change:** The Accountants and Auditors Course previously planned to take place in November has been rescheduled. Course 401 will be held at Holyoke Community College on December 6 & 13.

"WHAT'S NEW IN MUNICIPAL LAW"

The Division of Local Services offers a unique series of seminars entitled "What's New in Municipal Law". These one day workshops offer local officials the opportunity to learn about new laws and recent court decisions of importance to Massachusetts cities and towns. The presenters are attorneys on the Division's staff who specialize in municipal law.

The update on municipal law comprises the morning session. In the afternoon, there are six workshops. Attendees may participate in any two of their choice.

Focus on *Municipal Finance*

A regular supplement to CITY & Town

MUNICIPAL SPENDING IN FY87

For the first time, the Division has a complete set of comprehensive expenditure data for all 351 cities and towns. Last year, every town accountant and city auditor submitted a Schedule A, which provides extensive detail on actual revenues and expenditures that occurred during the fiscal year. Based upon these documents, this issue of CITY & Town FOCUS looks at FY87 spending patterns across all communities.

DEFINING "SPENDING"

The fairest way to compare communities' expenditures at a summary level is to focus upon the general fund, which represents the lion's share of all municipal expenditures. (This measure excludes enterprise funds, special revenue funds, capital projects, trust and special assessment funds. Also, since some communities draw directly from the general fund for major one-time capital outlays and construction projects, those expenditures are also excluded from this analysis.)

Schedule A records expenditures in more than one hundred departmental categories. This analysis has summarized them into the follow-

ing major functions: general government, police, fire, other public safety, education, highways, other public works, health and welfare, culture and recreation, debt service, fixed costs (such as insurance), and "other". "Other" includes miscellaneous as well as non-school intergovernmental expenditures.

FINDINGS

The net statewide total of all city and town general fund expenditures for FY87 is \$6.755 billion. This is comprised of \$4.359 billion in personal services, \$1.021 billion in supplies and expenses, \$914.9 million in purchase of services, \$458.2 million in intergovernmental expenditures, and \$1.3 million in out-of-state travel.

Education is by far the largest single function provided by local government— costing \$2.8 billion or 41.1% of spending statewide (see Figure One and Table One). Public safety— combining police, fire, and other safety-related services such as inspections— follow at \$1.004 billion (14.8%).

FIGURE 1

EXPENDITURES BY FUNCTION FY87

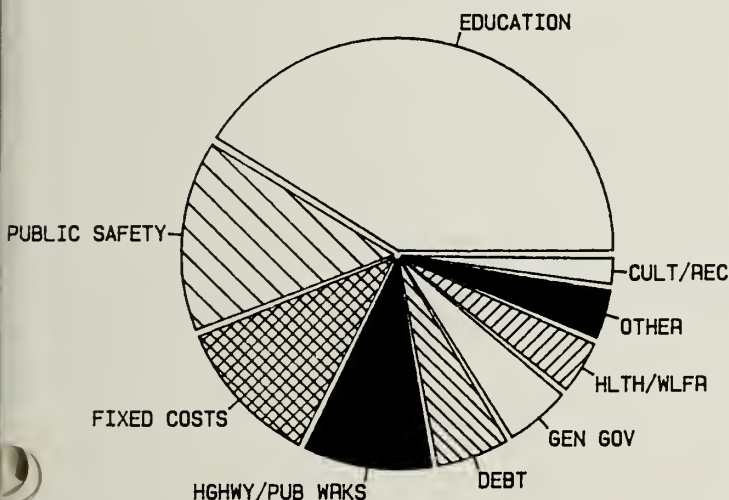


FIGURE II

EXPENDITURES PER CAPITA FY87 By Population Group



CITY & Town FOCUS cont'd...

Subtotals by Population Group and Kind of Community

The notion that larger municipalities incur greater "service burden" costs is supported by the data in Figure Two and Table One.

Communities with populations of 50,000 and above spend an average of \$1,354 per capita, compared with \$843 for towns with less than 2,000 people. Breakdowns by function show that there are major differences among population groups in the amount they spend on police, fire, education, health and welfare, and fixed costs.

Table Two lists each community's population, total general fund expenditures, expenditures per capita, and rank (from high to low) in expenditures per capita.

Obtaining Further Information

Schedule A is stored in its entire detail in the Municipal Data Bank, a section of the Municipal Data Management and Technical Assistance Bureau. More specific reports and graphs showing individual communities or groups of communities can be obtained by contacting the Data Bank at (617) 727-2300. Schedule A in the UMAS accounting format is available going back to FY85. FY88 reports will be submitted and computerized this fall.

CITY & Town FOCUS is jointly developed by the Analysis Unit and the Municipal Data Bank. This issue was prepared by Roger Hatch of the Data Bank and Julie Slavet and Leslie Kirwan of the Analysis Unit.

TABLE 1

GENERAL FUND EXPENDITURES FY87

(Excluding Capital Outlay and Construction)

Total Dollars

POPULATION GROUP	N	POPULATION	GENERAL GOVERNMENT	POLICE	FIRE	OTHER PUBLIC SAFETY	EDUCATION	PUB WORKS HIGHWAYS	OTHER PUBLIC WORKS	HEALTH & WELFARE	CULTURE & RECREATION	OEST SERVICE	FIXED COSTS	OTHER	TOTAL, ALL GENERAL FUND
50,000 +	20	2,119,930	148,091,111	225,336,684	208,575,500	71,115,813	947,595,071	134,225,832	81,569,106	215,471,472	76,485,748	188,825,794	436,683,265	137,511,269	2,871,486,663
20,000 - 49,999	58	1,795,170	100,852,304	131,126,825	128,402,706	20,274,467	861,999,851	98,090,335	131,071,024	60,529,668	46,692,323	116,708,221	209,813,077	84,855,969	1,990,416,761
10,000 - 19,999	77	1,121,080	62,871,206	72,172,112	53,280,614	11,961,394	592,194,363	66,706,635	64,147,595	14,293,135	25,479,560	59,737,054	91,589,090	35,110,658	1,149,543,416
5,000 - 9,999	72	528,730	33,805,036	35,350,101	15,694,449	8,138,834	251,667,414	32,174,568	31,336,798	7,614,366	9,925,658	22,269,568	33,420,453	12,910,471	494,307,716
2,000 - 4,999	57	198,150	13,384,349	11,758,440	3,921,233	3,547,025	91,704,960	15,681,151	15,945,448	2,497,410	3,747,939	8,834,024	12,068,402	7,679,029	190,769,410
50 - 1,999	67	68,860	5,084,475	1,552,217	818,278	794,792	29,553,870	8,602,495	2,254,371	579,825	822,569	1,693,431	3,212,673	3,075,514	58,044,510
STATE TOTAL	351	5,831,920	364,088,481	477,296,379	410,692,780	115,832,325	2,774,715,529	355,481,016	326,324,342	300,985,876	163,153,797	398,068,092	786,786,960	281,142,910	6,754,568,484

Dollars Per Capita

POPULATION GROUP	N	POPULATION	GENERAL GOVERNMENT	POLICE	FIRE	OTHER PUBLIC SAFETY	EDUCATION	PUB WORKS HIGHWAYS	OTHER PUBLIC WORKS	HEALTH & WELFARE	CULTURE & RECREATION	OEST SERVICE	FIXED COSTS	OTHER	TOTAL, ALL GENERAL FUND
50,000 +	20	2,119,930	69.86	106.29	98.39	33.55	446.99	63.32	38.48	101.64	36.08	89.07	205.99	64.87	1354.52
20,000 - 49,999	58	1,795,170	56.18	73.04	71.53	11.29	480.18	54.64	73.01	33.72	26.01	65.01	116.88	47.27	1108.76
10,000 - 19,999	77	1,121,080	56.08	64.38	47.53	10.67	528.24	59.50	57.22	12.75	22.73	53.29	81.70	31.32	1025.39
5,000 - 9,999	72	528,730	63.94	66.86	29.68	15.39	475.98	60.85	59.27	14.40	18.77	42.12	63.21	24.42	934.90
2,000 - 4,999	57	198,150	67.55	59.34	19.79	17.90	462.81	79.14	80.47	12.60	18.91	44.58	60.91	38.75	962.75
50 - 1,999	67	68,860	73.84	22.54	11.88	11.54	429.19	124.93	32.74	8.42	11.95	24.59	46.66	44.66	842.94
STATE TOTAL	351	5,831,920	62.43	81.84	70.42	19.86	475.78	60.95	55.95	51.61	27.98	68.26	134.91	48.21	1158.21

Percent of Total Spending

POPULATION GROUP	N	POPULATION	GENERAL GOVERNMENT	POLICE	FIRE	OTHER PUBLIC SAFETY	EDUCATION	PUB WORKS HIGHWAYS	OTHER PUBLIC WORKS	HEALTH & WELFARE	CULTURE & RECREATION	OEST SERVICE	FIXED COSTS	OTHER	TOTAL, ALL GENERAL FUND
50,000 +	20	2,119,930	5.2	7.8	7.3	2.5	33.0	4.7	2.8	7.5	2.7	6.6	15.2	4.8	100.0
20,000 - 49,999	58	1,795,170	5.1	6.6	6.5	1.0	43.3	4.9	6.6	3.0	2.3	5.9	10.5	4.3	100.0
10,000 - 19,999	77	1,121,080	5.5	6.3	4.6	1.0	51.5	5.8	5.6	1.2	2.2	5.2	8.0	3.1	100.0
5,000 - 9,999	72	528,730	6.8	7.2	3.2	1.6	50.9	6.5	6.3	1.5	2.0	4.5	6.8	2.6	100.0
2,000 - 4,999	57	198,150	7.0	6.2	2.1	1.9	48.1	8.2	8.4	1.3	2.0	4.6	6.3	4.0	100.0
50 - 1,999	67	68,860	8.8	2.7	1.4	1.4	50.9	14.8	3.9	1.0	1.4	2.9	5.5	5.3	100.0
STATE TOTAL	351	5,831,920	5.4	7.1	6.1	1.7	41.1	5.3	4.8	4.5	2.4	5.9	11.6	4.2	100.0

GENERAL FUND EXPENDITURES FY87

(Excluding Construction and Capital Outlay)

TABLE II (continued on next page)

MUNICIPALITY	POPULA- TION 86	TOTAL GEN FUND EXP	EXP/ CAPITA	RANK	MUNICIPALITY	POPULA- TION 86	TOTAL GEN FUND EXP	EXP/ CAPITA	RANK	MUNICIPALITY	POPULA- TION 86	TOTAL GEN FUND EXP	EXP/ CAPITA	RANK	MUNICIPALITY	POPULA- TION 86	TOTAL GEN FUND EXP	EXP/ CAPITA	RANK
ABINGTON	13,630	14,572,512	1,069	114	BROOKLINE	52,360	72,367,701	1,382	37	ERVING	1,420	1,851,152	1,304	47	HOLLISTON	12,980	16,767,290	1,136	85
ACTION	17,350	20,429,091	1,177	72	BUCKLAND	1,890	1,371,518	726	295	ESSEX	2,960	3,064,348	1,035	128	MOTUKE	42,000	49,405,859	1,176	73
ACUSHNET	9,070	7,052,044	1,778	273	BURLINGTON	22,750	34,477,666	1,516	27	EVERETT	36,330	40,980,304	1,128	90	HOPEDALE	3,980	4,158,694	1,045	124
ADAMS	10,080	4,588,217	455	343	CAMBRIDGE	91,260	174,206,659	1,910	13	FAIRHAVEN	15,650	14,876,723	948	174	HOPKINTON	8,460	8,469,130	1,001	151
AGAMAM	27,130	24,036,602	886	210	CANTON	18,340	21,234,079	1,158	82	FALL RIVER	90,420	79,476,804	879	214	MERRIMACK	2,010	1,207,630	601	327
ALFORD	400	316,003	790	268	CARLISLE	4,060	5,571,069	1,372	38	FALMOUTH	25,440	32,756,709	1,288	51	MUSCON	17,550	35,082,398	1,999	10
AMESBURY	14,780	14,719,807	996	152	CARVER	10,470	7,254,934	693	309	FITCHBURG	39,040	37,458,050	959	169	MULL	9,630	18,547,828	1,926	11
AMHERST	32,260	18,655,022	578	331	CHARLESTON	1,210	854,758	706	301	FLORENCE	690	747,402	1,083	110	MUNTINGTON	1,930	1,172,118	607	326
ANDOVER	27,230	41,611,683	1,528	26	CHARLTON	8,110	3,310,671	408	349	FOXBOROUGH	14,550	14,385,155	989	156	IPSWICH	11,750	10,993,174	934	181
ARLINGTON	44,350	42,913,057	968	167	CHAPEL	6,430	7,831,868	1,218	62	FRAMINGHAM	63,890	72,263,414	1,131	88	KINGSTON	8,200	8,121,293	990	155
ASHMAHAM	4,930	3,106,334	630	325	CHELSEAFIELD	31,810	33,630,733	1,057	120	FRANKLIN	19,620	18,763,061	956	170	LAKEVILLE	7,350	4,738,491	645	320
ASHMUT	2,730	1,496,612	547	334	CHESTER	25,640	31,947,689	1,246	53	FREETOWN	8,020	5,874,523	732	290	LANCASTER	6,160	4,997,272	811	253
ASHFIELD	1,530	1,301,999	851	224	CHESTER	3,340	1,432,163	429	345	GARDNER	18,420	16,226,491	881	213	LANESBOROUGH	3,170	2,581,145	814	251
ASHLAND	10,870	12,154,477	1,118	94	CHESTER	1,220	774,801	635	323	GAY HEAD	220	506,877	2,304	5	LAURENCE	63,420	67,341,171	1,064	116
ATMA	10,840	4,809,029	444	344	CHESTERFIELD	1,210	957,234	791	286	GEORGETOWN	6,010	8,082,363	1,345	42	LEE	6,030	5,734,434	951	173
ATTLEBORO	34,910	35,632,577	1,021	140	CHICPEE	57,100	47,961,696	840	234	GILL	1,300	726,051	559	333	LEICESTER	9,680	7,447,569	769	275
AUBURN	14,580	14,271,822	979	163	CHILMARK	620	1,187,666	1,916	12	GLOUCESTER	28,230	29,926,600	1,060	117	LENEX	6,550	4,964,924	758	282
AVON	4,790	5,827,576	1,217	63	CLARKSBURG	1,790	1,244,345	695	308	GOSHEN	760	664,262	874	216	LEONISTER	35,060	29,496,665	841	233
AYER	6,780	11,915,847	1,757	16	CLINTON	12,440	11,429,058	919	187	GOSNOLD	50	253,680	5,074	1	LEVERETT	1,560	1,100,475	705	302
BAKINGFIELD	36,540	35,931,092	983	159	COMASSSET	7,280	9,498,176	1,303	48	GRAFTON	11,840	9,698,674	819	249	LEXINGTON	28,610	41,876,274	1,464	29
BAKES	4,380	1,853,229	423	348	CONRAIN	1,670	1,193,375	715	299	GRANBY	5,550	4,604,256	830	242	LETOCH	620	500,548	807	259
BECKET	1,610	1,302,537	809	256	CONCORD	16,470	21,661,069	1,327	44	GRANVILLE	1,360	1,248,096	918	188	LINCOLN	7,710	7,983,877	1,036	127
BECON	12,490	19,804,312	1,586	24	CONWAY	1,400	1,023,651	731	292	GREAT BARRINGTON	7,280	6,025,575	828	245	LITTLETON	7,170	7,397,093	1,032	136
BELCHERTON	9,670	8,184,701	847	227	CUMMINGTON	800	607,599	759	279	GREENFIELD	17,900	17,593,596	983	160	LONGMEADOW	16,380	18,569,973	1,134	86
BELLINGHAM	14,230	13,171,775	926	183	DALTON	6,510	4,859,433	746	285	GROTON	7,030	5,374,315	764	276	LOWELL	92,880	105,122,003	1,132	87
BELMONT	25,020	30,588,597	1,223	60	DANVERS	24,150	55,295,551	2,290	6	GROVELAND	5,080	5,589,761	1,100	105	LUDLOW	18,740	15,997,038	854	222
BELLEVILLE	3,430	2,546,385	701	305	DARTMOUTH	25,610	21,057,768	822	247	HAVERHILL	4,120	3,703,374	899	199	LUNEBURG	8,850	8,532,591	964	168
BELLEVILLE	2,220	1,992,509	898	201	DEBHAM	23,810	26,599,663	1,117	95	HAVERHILL	6,230	4,882,521	784	271	LYNN	78,560	92,281,144	1,175	74
BELLEVILLE	1,790	1,414,215	790	267	DEERFIELD	4,700	3,382,770	720	297	HAMILTON	7,140	6,528,132	914	191	LYNNFIELD	11,350	12,696,972	1,119	93
BEVERLY	36,980	39,114,403	1,058	119	DELMAR	13,700	12,672,813	925	184	HAMPDEN	4,650	3,916,030	842	232	MALDEN	53,490	59,314,437	1,090	108
BILLERICA	38,230	42,046,721	1,100	106	DIGHTON	5,420	4,627,970	854	221	HANCOCK	600	525,928	877	215	MANCHESTER	5,260	7,031,108	1,337	43
BLACKSTONE	7,120	3,361,884	472	341	DODGERS	4,590	4,608,311	1,004	149	HANDOVER	11,560	14,090,237	1,219	61	MANCHESTER	14,920	14,664,083	983	161
BLANDFORD	1,160	796,108	686	310	DOVER	4,830	5,770,903	1,195	69	HANSON	9,010	7,755,123	862	219	MARBLEHEAD	19,580	22,696,514	1,159	81
BOLTON	2,940	2,962,995	1,008	145	DRAUGHT	24,040	21,449,159	892	205	HARDWICK	2,300	1,212,967	527	335	MARION	4,170	4,327,174	1,038	126
BOSTON	573,600	1,082,785,969	1,888	14	DUDLEY	8,840	3,767,299	426	346	HAVARD	13,140	6,542,206	498	339	MARLBOROUGH	31,180	34,309,573	1,100	104
BOURNE	15,730	14,216,333	904	198	DUNSTABLE	2,080	1,371,784	660	316	HAYDICH	9,860	12,084,872	1,226	58	MARSHFIELD	22,180	25,553,732	1,152	83
BOWDOUR	3,060	3,230,247	1,056	121	DUXBURY	13,820	18,914,569	1,369	40	HATFIELD	3,140	2,632,082	838	237	MASHPEE	5,940	8,601,662	1,448	33
BOULFORD	6,220	5,197,821	836	239	EAST BRIDGEWATER	10,080	11,232,815	1,114	97	HANOVER	48,620	58,866,723	1,211	64	MATTAPOISETT	5,850	4,976,769	851	225
BOUTLTON	3,530	2,979,903	844	229	EAST BROOKFIELD	1,860	602,667	324	351	HAULEY	370	349,442	944	175	MAYNARD	9,900	11,881,596	1,200	67
BRAintree	34,690	38,052,801	1,097	107	EAST LONGMEADOW	12,910	12,188,152	944	176	HEATH	580	569,656	982	162	NEEDHAM	10,610	11,744,729	1,107	102
BRESTER	7,050	8,196,316	1,163	80	EASTMAN	4,280	4,243,375	991	154	HINGHAM	19,670	23,542,759	1,197	68	NEEDHAM	56,830	57,267,685	1,008	146
BRIDGEWATER	18,420	14,049,545	763	277	EASTHAMPTON	16,330	13,155,528	806	261	HILLSDALE	1,780	1,193,591	671	315	NEEDHAM	9,360	9,670,442	1,033	133
BRIMFIELD	2,680	2,010,717	750	283	EASTON	19,090	17,505,100	917	189	HOLBROOK	10,880	10,536,853	968	166	NEEDHAM	28,790	28,938,522	1,005	148
BROOKFIELD	93,870	107,777,274	1,148	84	EDGEMONT	2,990	5,095,323	1,704	21	HOLDER	13,750	12,336,162	897	202	NEEDHAM	3,490	2,346,547	672	312
	2,730	1,872,950	686	311	EDGEMONT	1,310	1,027,848	785	270	HOLLAND	1,780	1,433,998	806	260	NEEDHAM	4,870	3,919,466	805	262

GENERAL FUND EXPENDITURES FY87

(Excluding Construction and Capital Outlay)

MUNICIPALITY	POPULA- TION '86	TOTAL GEN FUND EXP	EXP/ CAPITA	RANK	MUNICIPALITY	POPULA- TION '86	TOTAL GEN FUND EXP	EXP/ CAPITA	RANK	MUNICIPALITY	POPULA- TION '86	TOTAL GEN FUND EXP	EXP/ CAPITA	RANK	MUNICIPALITY	POPULA- TION '86	TOTAL GEN FUND EXP	EXP/ CAPITA	RANK
METHUEN	39,470	37,123,378	941	177	OXFORD	12,330	10,508,729	852	223	SHREWSBURY	22,560	21,976,337	974	164	WEBSTER	15,090	13,396,296	888	208
MIDDLEBOROUGH	17,410	16,617,958	955	172	PALMER	11,800	9,345,952	792	265	SHUTESBURY	1,240	977,260	788	269	WELLESLEY	26,550	34,030,157	1,282	52
MIDDLEFIELD	430	393,519	915	190	PAXTON	3,830	4,688,046	1,224	59	SOMERSET	18,230	21,246,303	1,165	78	WELLFLEET	2,390	3,429,471	1,435	34
MIDDLETON	4,710	10,311,476	2,189	8	PEABODY	46,300	54,250,374	1,172	75	SOMERVILLE	72,280	74,814,256	1,035	129	WENDELL	810	600,539	741	287
MILFORD	24,230	24,853,403	1,026	138	PELHAM	1,360	947,350	697	307	SOUTH MADLEY	16,230	12,089,444	745	286	WENHAM	3,810	3,210,675	843	231
MILLBURY	11,840	10,550,428	891	206	PEMBROKE	14,540	11,840,803	814	250	SOUTHAMPTON	4,450	3,375,905	759	280	WEST BOYLSTON	6,040	5,767,760	955	171
MILLIS	7,250	7,559,235	1,043	125	PEPPERELL	9,630	4,906,380	509	336	SOUTHBOROUGH	6,420	8,373,584	1,304	46	WEST BRIDGEWATER	6,520	6,851,713	1,051	123
MILLVILLE	2,010	854,275	425	347	PERU	810	574,002	709	300	SOUTHBRIDGE	16,520	14,945,981	905	197	WEST BROOKFIELD	3,390	2,189,330	646	319
MILTON	25,500	28,813,513	1,130	89	PETERSHAM	1,000	912,464	912	193	SOUTHWICK	7,920	6,596,553	833	240	WEST NEWBURY	3,330	3,678,903	1,105	103
MONROE	140	218,427	1,560	25	PHILLIPSTON	1,080	635,727	589	330	SPENCER	11,540	4,504,407	390	350	WEST SPRINGFIELD	26,800	24,477,802	913	192
MONSON	7,670	6,305,321	822	248	PITTSFIELD	49,580	51,187,784	1,032	135	SPRINGFIELD	149,410	174,302,876	1,167	76	WEST STOCKBRIDGE	1,310	1,062,988	811	252
MONTAGUE	7,980	5,104,425	640	321	PLAINFIELD	460	536,355	1,166	77	STERLING	6,550	8,255,190	1,302	49	WEST TITSBURY	1,250	2,523,223	2,019	9
MONTGOMERY	690	703,674	725	296	PLAINVILLE	6,080	5,098,975	839	236	STOCKBRIDGE	2,340	2,353,729	1,006	147	WESTBOROUGH	13,210	18,091,816	1,370	39
MOUNT WASHINGTON	100	472,268	684	312	PLYMOUTH	40,290	41,161,561	1,022	139	STONEHAM	22,550	24,175,449	1,072	113	WESTFIELD	37,710	34,844,804	924	185
NAHANT	3,940	4,240,287	1,076	112	PLYMOUTH	2,290	1,855,280	810	255	STOUGHTON	27,190	25,352,006	932	182	WESTFORD	15,210	16,856,349	1,108	100
NAHANTUCKET	6,000	13,351,399	2,225	7	PRINCETON	2,900	3,568,159	1,230	56	STOW	5,470	5,750,079	1,051	122	WESTHAMPTON	1,340	974,261	727	293
NATICK	30,270	37,362,426	1,234	55	PROVINCETOWN	3,500	8,918,030	2,548	4	STURBRIDGE	7,310	6,069,122	830	241	WESTMINSTER	5,480	3,482,354	635	322
NEEDHAM	27,240	46,953,928	1,724	19	QUINCY	82,630	96,191,624	1,164	79	SUDBURY	14,140	19,835,901	1,403	35	WESTON	10,700	18,741,277	1,752	17
NEW ASHFORD	140	155,376	1,110	98	RANDOLPH	28,580	29,533,480	1,033	132	SUNDERLAND	2,930	1,692,016	577	332	WESTPORT	14,010	11,218,482	801	264
NEW BEDFORD	96,450	95,927,533	995	153	RAYNHAM	9,510	7,827,938	823	246	SUTTON	6,590	5,555,287	843	230	WESTWOOD	12,580	18,335,029	1,457	30
NEW BRANTREE	700	419,170	599	328	READING	22,550	24,998,688	1,109	99	SWAMPSCOTT	13,330	17,215,531	1,291	50	WEYMOUTH	54,480	52,981,823	973	165
NEW MARLBOROUGH	1,330	1,040,720	782	272	REHOBOTH	8,490	6,466,067	762	278	SWANSEA	15,790	13,073,338	828	243	WHATELY	1,340	1,016,535	759	281
NEW SALEM	880	429,856	488	340	REVERE	43,510	46,401,473	1,066	115	TAUNTON	45,760	40,367,903	882	212	WHITMAN	13,350	13,133,028	984	158
NEUBURGH	5,360	3,964,744	740	288	RICHMOND	1,640	1,496,347	912	194	TEMPLETON	6,050	2,756,922	456	342	WILBRAHAM	12,420	11,266,906	907	196
NEUBURTPORT	12,890	17,445,169	1,033	134	ROCHESTER	3,980	2,931,642	737	289	TEKESBURY	25,660	27,626,712	1,077	111	WILLIAMSBURG	2,490	1,739,215	698	306
NEWTON	82,140	112,057,151	1,364	41	ROCKLAND	12,340	15,556,834	1,014	143	TISBURY	3,480	2,273,952	1,228	57	WILLIAMSTON	8,090	5,879,427	727	294
NORFOLK	7,930	6,428,033	811	254	ROCKPORT	6,690	7,964,872	1,191	70	TOLLAND	260	421,634	1,622	22	WILMINGTON	17,530	24,568,992	1,402	36
NORTH ADAMS	17,020	15,216,527	894	203	ROME	380	1,357,187	3,572	2	TOPSFIELD	5,550	5,635,377	1,015	142	WINCHENDON	7,710	6,860,023	890	207
NORTH ANDOVER	22,390	22,072,369	986	157	ROULEY	4,250	3,604,578	848	226	TOUWSEN	8,600	4,350,280	506	338	WINCHESTER	20,120	29,534,021	1,468	28
NORTH ATTLEBOROUGH	23,460	20,791,101	886	209	ROYALSTON	1,060	536,721	506	337	TRURO	1,380	2,382,579	1,727	18	WINDSOR	620	547,806	884	211
NORTH BROOKFIELD	4,270	3,875,834	908	195	RUSSELL	1,620	1,090,504	673	313	TYNGSBOROUGH	7,640	6,127,295	802	263	WINTHROP	18,640	16,733,431	899	200
NORTH READING	11,880	13,361,285	1,125	92	RUTLAND	4,670	3,626,451	777	274	TYRINGHAM	380	402,036	1,058	118	WOBURN	37,380	38,651,510	1,034	130
NORTHAMPTON	28,360	28,829,918	1,017	141	SALEM	38,050	38,537,849	1,013	144	UPTON	4,270	2,692,575	631	324	WORCESTER	157,770	190,781,536	1,209	65
NORTHBOROUGH	11,320	12,638,932	1,117	96	SALISBURY	7,270	5,874,163	808	258	UNBROIDGE	8,950	7,574,715	846	228	WORTHINGTON	1,150	681,115	592	329
NORTHBRIDGE	12,440	10,689,005	859	220	SANDSFIELD	810	758,046	936	180	WAKEFIELD	25,170	40,186,199	1,597	23	WRENTHAM	8,590	6,941,274	808	257
NORTHFIELD	2,410	2,085,071	865	217	SANDWICH	12,470	14,038,496	1,126	91	WALES	1,460	1,047,714	718	298	YARMOUTH	19,800	17,697,056	894	204
NORTON	13,710	12,834,493	936	179	SAUGUS	25,860	28,653,759	1,108	101	WALPOLE	19,720	20,386,476	1,034	131					
NORWELL	9,240	12,053,155	1,304	45	SAVOY	770	503,401	654	317	WALTHAM	57,090	57,173,907	1,001	150					
NORWOOD	28,220	48,591,098	1,722	20	SCITUATE	16,960	20,119,980	1,186	71	WARE	9,430	8,830,566	936	178					
OAK BLUFFS	2,340	4,161,952	1,779	15	SEECONK	12,710	11,733,575	923	186	WAREHAM	20,340	16,838,444	828	244					
OAKHAM	1,270	892,206	703	304	SHARON	14,660	15,970,300	1,089	109	WARREN	3,880	3,245,467	836	238					
ORANGE	7,300	5,474,415	750	284	SHEFFIELD	2,660	2,232,124	839	235	WARWICK	600	518,448	864	218					
ORLEANS	6,050	6,227,214	1,029	137	SHELBURNE	2,020	1,320,470	654	318	WASHINGTON	610	429,238	704	303					
OTTIS	980	1,211,211	1,236	54	SHERBORN	4,260	6,191,885	1,453	31	WATERLOO	32,890	39,631,288	1,205	66					
					SHIRLEY	5,550	4,061,509	732	291	WAYLAND	12,190	17,683,782	1,451	32					

Tax Reform

Continued from page one

issuer is unable to qualify for the \$5 million exception it may still avoid rebates if they qualify for one of the following two provisions depending on the type of security issued.

Bonds or Bond Anticipation Notes: No rebate is required if 95% of the proceeds of a bond or note issue and the interest earnings on the proceeds are spent within six months and if all proceeds and earnings are spent within one year.

Revenue Anticipation Notes: No rebate is required for revenue anticipation notes issued to cover anticipated tax or grant receipts if the cash flow deficit exceeds ninety percent of the face amount of the notes within six months. **Eligibility for this exemption is not based on expectation at the time of issuance.** If the actual deficit does not turn out to exceed ninety percent of the face amount of the notes, an arbitrage earnings rebate will be necessary.

The third change resulting from the Tax Reform Act restricts certain buyers of tax-exempt securities. The major provision disal-

lows a deduction for financial institutions holding securities of municipalities who issue greater than \$10 million in original issues in a calendar year. Thus larger issuers, have a restrictive market for their bonds and notes resulting in higher interest rates.

The ability to avoid rebate and higher interest costs depends upon the willingness of all officials within the community to work together to plan for capital projects, avoid late tax mailings and keep the borrowing below the various limits mentioned. CITY & Town will feature another explanatory segment on the Tax Reform Act of 1986 in an upcoming issue. In addition, the Division of Local Services' Bureau of Accounts is available to help local planners by clarifying the law and offering financial advice. Please feel free to call the Division at 727-2300, extension 1022 for assistance.

And the Winner Is...

The Division of Local Services takes great pleasure in making the long awaited announcement of the winner of the "Rename Free Cash" contest. By coincidence, the Government Accounting Standards Board (GASB) had arrived at its own term for the financial resources a community has available for appropriation (Free Cash) at the same time that the DLS judges were deliberating over the many entries we received from local officials. GASB's phrase for free cash, "Budgetary Fund Balance" will be the standard phrase and the entry we feel came the closest is "Unrestricted Fund Balance" submitted by Carole McCormack, the Treasurer/Collector in the town of Hanson. So, Hanson officials, if you've already had your FY88 budgetary fund balance certified, the rule will apply for FY89... the balance will be certified and the tax rate approved for you in one day.

We have an honorable mention as well... thank you, Dorothy Hamblin, Finance Committee member in Northbridge, for submitting "Play Dough" as your entry. You will be receiving your very own copy of the coveted "Bulletin 29". The name may not suit GASB's purposes, but we're sure the Board would get a big kick out of it as we here at the Division did!

We were impressed and pleased with the participation our contest generated. Thank you, CITY & Town readers, for your enthusiasm and Congratulations again, Carole!

The Latest in Financial Management Assistance

The Municipal Data Management and Technical Assistance Bureau (MDM/TAB) offers consulting services to cities and towns on a wide range of municipal finance topics. All management analysis and assistance are provided at no charge to the community.

GOSHEN: Review of Assessors' Office

Members of the Division's Bureau of Local Assessment and Municipal Data Management and Technical Assistance Bureau reviewed the operations of the assessors' office in the town of Goshen. After interviews with the Board of Assessors and the assessing clerk, and a review of operations of the assessing office, the Division's management consulting team made recommendations in the following areas: staffing, office space, training and automation.

GRANBY: Review of Assessors' Office

A management consulting team from the Division's Bureau of Local Assessment and Municipal Data Management and Technical Assistance Bureau met town officials in Granby to review the operations of the assessors office. The team identified a number of options for restructuring the assessors office. Recommendations for staffing were made under each option, and the cost of each was estimated. In addition, the review addressed issues to be considered if the town chooses to perform revaluations in-house using a computer assisted mass appraisal (CAMA) system.

LENOX: Financial Management Review

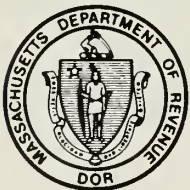
A management consulting team from the Division's Bureau of Accounts and Municipal Data Management and Technical Assistance Bureau met with town officials to review the town's financial management organization. During the process of the review, interviews were conducted with, among others, the town accountant, treasurer, collector, Board of Selectmen, and members of the finance committee. The review resulted in a number of recommendations among which were the qualifications the town should seek in fulling the vacancy in the town accountant's position, the need for data processing training, cross-training of financial personnel, improvements in the process of preparing the bi-weekly warrant, maintenance of the general ledger, and the need to prepare and maintain a capital improvements plan.

CITY & Town, a publication of the Massachusetts Department of Revenue's Division of Local Services, is published 11 times per year. The Division is responsible for oversight and assistance to cities and towns in achieving equitable property taxation and efficient fiscal management.

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CITY & Town

A monthly publication of the Massachusetts Department of Revenue's
Division of Local Services

Stephen W. Kidder
Commissioner



Edward J. Collins, Jr.
Deputy Commissioner

TAX REFORM & YOU - PART II

As described in the November/December issue of CITY & Town, in 1986 the federal government enacted one of the most sweeping reforms of the tax code in U.S. history. This law has significantly affected the way municipalities borrow money. It has done this with three major changes in the tax code; one affecting the tax exempt status of some municipal bonds, a second limiting arbitrage earnings and the third restricting the purchasers of tax exempt securities.

The main effects of these changes in the federal statutes on cities, towns and districts has been to make the issuance of tax exempt debt more complex, more time consuming and most importantly, more expensive. This article will examine the reasons for these expenses and some of the ways to deal with them.

The major factor in the increased cost is the impact of Tax Reform on the interest rates of tax exempt debt. This increased cost has resulted from the following changes in the tax code:

- * The maximum income tax rates for most people have been substantially reduced. This has, in turn, reduced the value of holding tax exempt securities. To attract buyers, a municipal bond or note will now need to carry a higher interest rate, thus increasing costs.

- * Many financial institutions are now precluded from profitably holding the tax exempt securities of municipalities originally issuing in excess of \$10 million in a calendar year. Thus, large issuers are losing between 1/4 and 1/2 of a percentage point every time they sell bonds and notes because their market has been restricted.

- * Municipal debt issued for certain types of projects deemed by the law to be "private activity" may lose their tax exempt status and need to be sold as taxable securities. This taxable debt will probably sell between one and two percentage points higher than tax exempt

securities. This "penalty" for private activity debt will also discourage the privatization of services and the joint occupancy of municipal facilities if such debt is involved.

The second cost to municipalities is the loss of interest earnings from the investment of the proceeds of tax exempt bonds and notes. This income, usually referred to as arbitrage earnings, would often indirectly reduce the cost of a project or supply needed revenue to the general fund. As explained in Part I, this arbitrage must now be rebated to the federal government unless the issuer is able to meet one of the exceptions provided by the law. The issuer will therefore either lose funds through a rebate or because of the reduced level of borrowing needed to avoid one.

The third major cost associated with the Tax Reform Act is the increased expense required for the issuance of municipal debt. These added costs will appear on several levels. Bond counsel and financial advisory costs will increase because the amount of paperwork, the number and complexity of legal questions and the amount of necessary planning will increase.

If rebates are a possibility, someone will need to track the yields on invested proceeds to determine if a rebate is required and if so, how much. This is a very complex calculation which few issuers will be able to do on their own. A third issuance cost which is often overlooked is the increased time required of treasurers to carry out the borrowing function. There will be a need for more planning and consultation with other officials as well as outside advisors and a likely increase in the number of sales, each of which will be smaller to keep within the various limits of the law.

The Tax Reform Law is very complex and these articles have been able to touch upon only a few of the most important elements. Many of the administrative regulations have not been issued by the U.S. Treasury and the

Continued on page 7

DLS PROVIDES NEW FINANCIAL ASSISTANCE

The Division of Local Services has recently instituted a new program which will assist cities and towns with the collection of additional revenues. This program targets the misuse of "repair plates." Upon application, the Registry of Motor Vehicles issues repair plates to individuals who commercially repair or alter motor vehicles.

Massachusetts law exempts motor vehicles operated under repair plates from payment of a motor vehicle excise if such vehicles are used exclusively for business purposes. However, many individuals get around the law, attaching repair plates to private, luxury automobiles and other personal vehicles. Any degree of personal use, however slight, makes the motor vehicle subject to excise. However, since it is the registration of a vehicle which subsequently triggers the production of an excise bill, an unregistered vehicle is not billed in the usual process. Consequently, an excise on a personal vehicle operated with repair plates is seldom collected.

In an effort to curb repair plate abuse, the Division of Local Services has joined forces with the Department of Revenue's Determination Bureau. The Determination Bureau has organized and trained a number of field investigators who travel throughout the Commonwealth visiting repair sites and checking to see that the repair plates issued to each facility are being properly used. As part of its procedure, the Determination Bureau submits to the Division a monthly report which documents the results of its investigations. The report lists unregistered and untitled motor vehicles which the investigators found to have been operated with repair plates.

Most Flagrant Abuse

Each month, CITY & Town will publish what the Division of Local Services determines to be the incidence of the most flagrant abuse of repair plates on a luxury automobile which was discovered during the preceding month. Each report will relate the excise amount for which such a vehicle would be liable were the car to have been properly taxed over the first five years of its life. Because of the DLS's program, much of the otherwise lost revenue will be recovered on the particular vehicle by the municipality where the vehicle is principally garaged. This month's selection: A 1987 Mercedes 560 SEC; Location: Westboro Turnpike. Mobil Inc., Westboro, MA. The Manufacturer's List Price = \$68,000. The five year excise liability is \$4,505.

Henceforth, the Division of Local Services will assist cities and towns in collecting the motor vehicle excise payable on those motor vehicles operated with repair plates for non-business purposes. Using the monthly reports, the Division will prepare bills for all passenger cars and certain other vehicles which appear upon these lists. Once prepared, the bills will be sent to the appropriate boards of assessors with requests that the assessors commit them to their respective tax collectors.

The monthly print-outs also list a number of tow vehicles which have been operated with repair plates. Chapter 60A provides that all vehicles which perform towing services for hire, regardless of whether or not they are operated with repair plates, are subject to an excise. Therefore, the Division will also prepare bills for all tow vehicles which appear on the monthly lists.

To facilitate the Division's work in its efforts to curb repair plate abuse, we request all local officials to report to the DLS all vehicles which they believe have been operated for personal use with repair plates. We ask that you copy and use the accompanying form in making siting reports.

In this time of vigorous restraints on municipal revenues, every source of additional income becomes of increasing importance. The Division of Local Services is therefore happy to assist cities and towns in obtaining additional revenue while curbing a practice that results in a patent tax inequity.

Case Control Number:
Date Case Closed:
Master File Posted:

DETERMINATION REPAIR PLATE DESIGNATION FORM

REFERRAL INFORMATION

Referral Date Repair Plate #
Person Referring Case
Vehicle Description
Other Observation (e.g. date, time and location of sitting. *Specifically provide information which evidences non-business use.*)

Focus on *Municipal Finance*

A regular supplement to CITY & Town

1988 EQUALIZED VALUATIONS

Equalized Valuations (EQVs) are a measure of the relative property wealth of Massachusetts cities and towns. Equalized valuations are developed to provide a measure of local property value that adjusts — or equalizes — a community's position in the recertification cycle and thus fairly represents the community's relative taxing capacity for the purposes of the allocation of various assessments and distributions.

The Department of Revenue determines EQVs through statistical comparisons of assessments with sales in various categories of property, along with sample property appraisals throughout the state. EQVs reflect appreciation of existing property, as well as the value of new construction.

EQVs are updated every two years and reflect the value of property as of the prior January 1st. The 1988 EQVs reflect the value of property as of January 1, 1987 — the 1986 EQVs reflect the value of property as of January 1, 1985.

On June 1, 1988 the proposed EQVs were provided to local Boards of Assessors. Local officials were invited to attend a public hearing on the proposed EQVs on June 10, 1988. Based on information received from local officials, the Commissioner of Revenue could change proposed EQVs on or before July 20, 1988. The Commissioner's final determination of EQVs could be appealed to the Appellate Tax Board on or before August 10, 1988. The 1988 EQVs will be presented to the Legislature in January, 1989.

FINDINGS

The 1988 statewide EQV was **69%** higher than the 1986 statewide EQV. Between 1986 and 1988, the statewide EQV increased by **\$153 billion**, from the 1986 EQV of **\$221.5 billion** to the 1988 EQV of **\$374.9 billion**. Since 1980, the statewide EQV has increased by a total of **325%**. The increase of **69%** from the 1986

EQV to the 1988 EQV reflects the largest two year increase since 1980. Increases between years are as follows:

Change in EQV, 1980 - 1988

1980 - 1982: 42%

1982 - 1984: 19%

1984 - 1986: 48%

1986 - 1988: 69%

Between 1986 and 1988, EQVs statewide increased by an average of **69%**. The EQVs of **37** or **10.5%** of the state's communities increased by *more than 100%* between 1986 and 1988. Most of the state's communities experienced EQV increases of *between 50 and 99%*: the EQVs of **260** or **74%** of the state's communities increased by amounts within this range. The EQVs of **54** or **15.4%** of communities statewide increased by *less than 50%*. The largest EQV increase experienced by a community was for **178.49%**. Only one community experienced a decrease in its EQV — of **6.81%.***

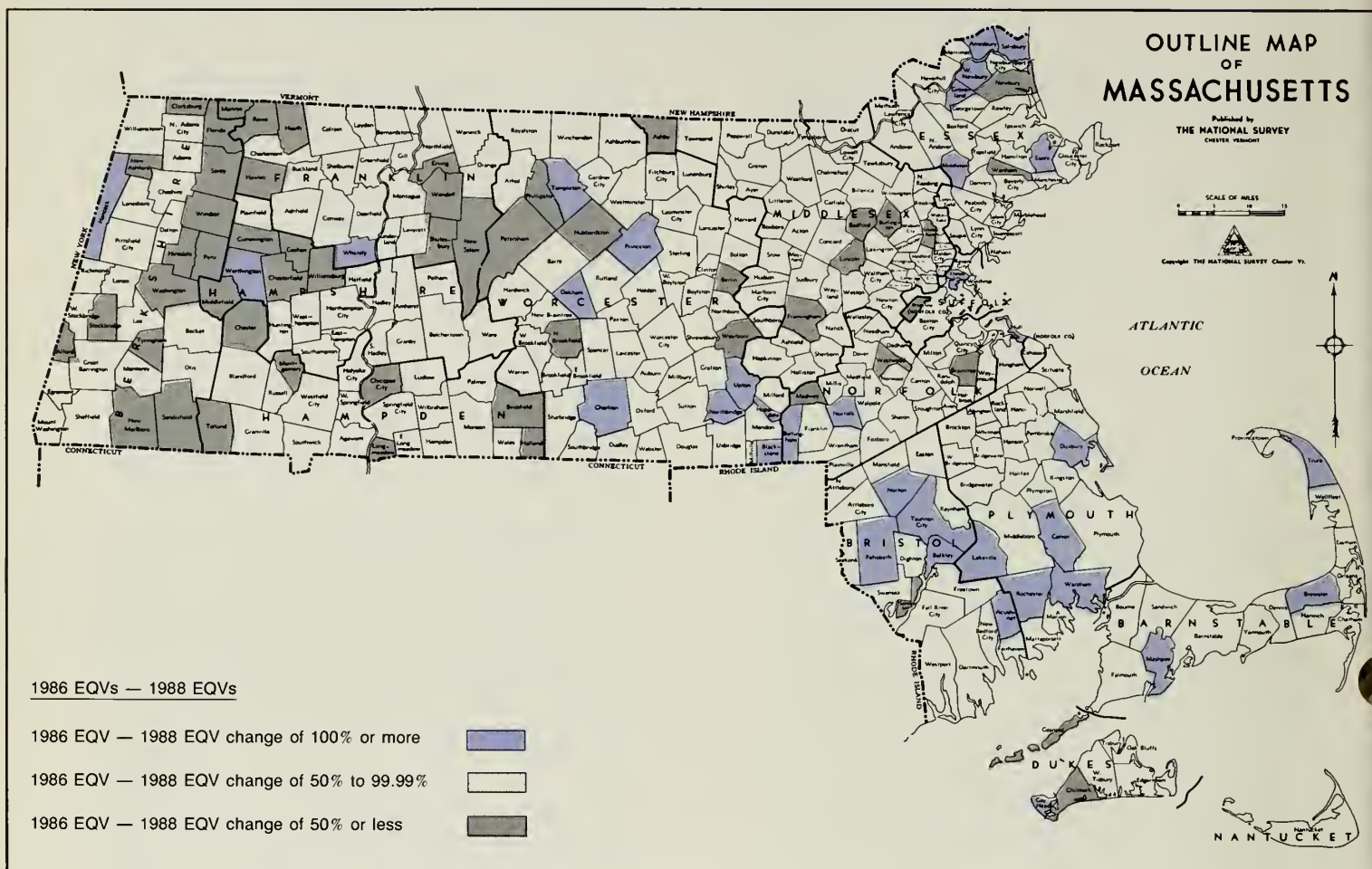
70% of the **37** communities that experienced the largest EQV increases between 1986 and 1988 are located in the following four counties: **24%** in Worcester county, **16%** in Plymouth county, **16%** in Essex county, and **13.5%** in Bristol county. Of the **54** communities that experienced EQV increases of less than **50%** between 1986 and 1988, **83%** are located in the following six counties: **24%** in Berkshire county, **15%** in Franklin county, **13%** in Hampden county, **11%** in Middlesex county, and **11%** in Worcester county.

This issue of CITY & Town FOCUS was prepared by Dora Fernandez and Roger Hatch of the Municipal Data Bank, Linda Paulauskas of the Bureau of Local Assessment, and Leslie Kirwan and Julie Slavet of the Analysis Unit.

*The community that shows a decrease from its 1986 EQV to its 1988 EQV is Monroe, a small community that experienced the closing of a significant local firm.

99.99%; change of 50% or less. The following printout lists EQV for 1986, EQV for 1988, and percent change by community.

The following map shows communities according to change in EQV from 1986 to 1988: change of 100% or more; change of 50% to



WE'D LIKE YOUR RESPONSE

Since the first CITY & Town FOCUS on the topic of Levy Increases was featured in the January/February 1988 CITY & Town, we have provided information and analysis on a variety of municipal finance issues, including:

- New Growth
- Excess Levy Capacity
- Cherry Sheet Receipts
- Room Occupancy Revenues
- Free Cash
- Spending
- Residential Property Tax bills
- Proposition 2 1/2 Referenda Questions

Each FOCUS is compiled by Division of Local Services' Analysis Unit and Municipal Data Bank staff. We would like to take this opportunity to ask for your input as we begin to develop topics for upcoming FOCUS issues which are of particular concern to you and about which you would like to learn more. Our goal is to make each FOCUS issue useful and valuable to you as a local official.

Please send your comments to: Analysis Unit, Division of Local Services, Department of Revenue, 200 Portland Street, Boston MA 02114-1715. Thank you.

1988 EQUALIZED VALUATIONS

	Equalized Valuation	Equalized Valuation	Pct Chg		Equalized Valuation	Equalized Valuation	Pct Chg		Equalized Valuation	Equalized Valuation	Pct Chg		Equalized Valuation	Equalized Valuation	Pct Chg
	1986	1988	86-88		1986	1988	86-88		1986	1988	86-88		1986	1988	86-88
ABINGTON	339,681,200	630,496,000	85.6	BROOKLINE	3,040,005,404	4,529,840,000	49.0	ERVING	126,187,857	148,685,000	17.8	HOLLISTON	533,028,800	911,480,000	71.0
ACTION	906,745,466	1,527,840,000	68.5	BUCKLAND	46,311,413	76,306,000	64.8	ESSEX	154,954,355	327,350,000	111.3	HOLYOKE	816,404,000	1,256,007,000	53.8
ACUSHNET	175,944,125	369,231,000	109.9	BURLINGTON	1,667,994,188	2,318,100,000	39.0	EVERETT	1,666,818,216	2,585,901,000	55.1	HOPEDALE	131,094,590	326,358,000	148.9
ADAMS	152,767,666	232,446,000	52.2	CAMBRIDGE	4,192,316,000	7,190,306,000	71.5	FAIRHAVEN	466,364,000	779,960,000	69.4	HOPKINS	427,857,145	755,419,000	76.6
ACQUAM	727,172,061	1,194,892,000	64.3	CANTON	924,789,900	1,642,055,000	77.6	FALL RIVER	1,208,313,000	2,325,266,000	92.4	HUBBARDSTON	56,222,000	82,053,000	45.9
ALFORD	35,171,544	52,273,000	48.6	CARLISLE	289,041,700	492,942,000	70.5	FALMOUTH	1,986,864,000	3,144,732,000	58.3	HUDSON	502,311,191	955,802,000	90.3
AMESBURY	385,103,000	805,008,000	109.0	CARRIER	236,531,140	511,745,000	116.4	FITCHBURG	724,688,000	1,327,714,000	83.2	HULL	374,932,100	762,479,000	103.4
AMHERST	532,253,163	848,623,000	59.4	CHARLEMONT	31,076,203	48,935,000	57.5	FLORIDA	44,996,206	63,933,000	42.1	HUNTINGTON	38,000,900	64,740,000	70.4
ANDOVER	1,962,195,284	3,280,828,000	67.2	CHARLTON	192,574,577	412,364,000	114.1	FOXBOROUGH	442,962,266	834,396,000	88.4	IPSWICH	523,312,170	930,143,000	77.1
ARLINGTON	1,827,990,964	3,146,912,000	72.3	CHAFFAM	949,781,000	1,656,918,000	74.5	FRAMINGHAM	3,196,043,589	4,607,454,000	44.2	KINGSTON	284,130,696	566,425,000	99.4
ASHBURNHAM	127,945,030	225,002,000	75.9	CHELMSFORD	1,473,017,112	2,292,532,000	55.6	FRANKLIN	641,634,479	1,224,725,000	90.9	LAKEVILLE	214,062,855	489,346,000	128.6
ASHBY	59,741,000	86,617,000	45.0	CHELSEA	507,621,088	1,046,246,000	106.1	FREETOWN	238,895,426	409,259,000	71.3	LAMCSTER	172,524,123	310,064,000	79.7
ASHFIELD	50,224,757	84,270,000	67.8	CHESHIRE	69,848,900	127,336,000	82.3	GARDNER	349,565,699	660,399,000	88.9	LANESBOROUGH	84,093,767	147,409,000	75.3
ASHLAND	485,667,921	807,975,000	66.4	CHESTER	31,870,531	39,076,000	22.6	GAY HEAD	59,610,000	166,005,000	178.5	LAWRENCE	1,141,507,000	2,185,197,000	91.4
ATKIN	237,410,000	358,293,000	50.9	CHESTERFIELD	37,104,000	53,187,000	43.3	GEORGETOWN	208,658,571	374,191,000	79.3	LEE	188,266,506	331,822,000	76.3
ATTLEBORO	913,261,352	1,643,493,000	80.0	CHICOPEE	1,262,080,000	1,764,001,000	39.8	GILL	32,230,412	53,425,000	65.7	LEICESTER	190,522,721	380,582,000	99.8
AUBURN	493,569,876	876,456,000	77.6	CHILMARK	472,827,643	579,928,000	22.7	GLouceSTER	1,277,113,788	2,373,561,000	85.9	LENOX	222,566,782	403,193,000	81.2
AVON	224,247,128	358,867,000	60.0	CLACKABURG	31,452,000	39,270,000	24.9	GOSHEN	37,149,129	44,929,000	44.2	LEOMINSTER	943,730,008	1,636,991,000	70.0
AYER	207,788,000	344,723,000	65.9	CLINTON	294,242,082	474,730,000	61.3	GOSNOLD	36,349,000	40,023,000	10.1	LEVERETT	53,738,997	89,219,000	66.0
BARSTABLE	2,831,983,000	5,527,425,000	95.2	COHASSET	460,810,000	754,531,000	63.7	GRAFTON	398,509,963	669,873,000	68.1	LEXINGTON	2,181,986,377	3,626,763,000	66.2
BARRE	92,632,113	150,983,000	63.0	COLRAIN	44,542,189	76,274,000	71.2	GRABBY	122,252,000	218,063,000	78.4	LEYDEN	18,334,459	29,218,000	59.4
BECKET	86,484,103	152,128,000	75.9	CONCORD	1,150,697,129	1,912,034,000	66.2	GRANVILLE	43,951,874	78,588,000	78.8	LINCOLN	471,684,000	690,808,000	46.5
BEDFORD	979,544,550	1,389,201,000	41.8	CONWAY	40,774,144	72,454,000	77.7	GREAT BARRINGTON	235,056,000	415,740,000	76.9	LITTLETON	361,302,000	674,454,000	86.7
BELCHERTOWN	205,991,807	344,321,000	65.2	CUMMINGTON	27,392,280	38,571,000	40.8	GREENFIELD	407,033,785	697,427,000	71.3	LONGMEADOW	691,987,983	966,158,000	39.9
BELLINGHAM	339,918,690	682,915,000	100.9	DALTON	175,782,925	296,544,000	68.7	GROTON	261,035,000	501,138,000	92.0	LOMELL	2,359,234,562	3,895,694,000	65.1
BELMONT	1,443,148,700	2,343,534,000	62.4	DANVERS	1,183,130,490	2,047,175,000	73.0	GROVELAND	137,233,457	279,350,000	103.6	LUDLOW	440,806,454	717,211,000	62.7
BENKLEY	75,100,278	181,659,000	141.9	DARTMOUTH	869,510,867	1,434,669,000	65.0	HADLEY	198,508,426	330,893,000	66.7	LUNEBURG	263,082,812	498,651,000	89.5
BERLIN	76,472,446	111,461,000	45.8	DEDHAM	1,037,713,230	1,788,159,000	72.3	HALLIFAX	157,873,225	295,334,000	87.1	LYNN	2,124,833,000	3,686,233,000	73.5
BERNSTADT	49,203,080	84,591,000	71.9	DEERFIELD	167,732,115	270,364,000	61.2	HAMILTON	304,135,721	583,212,000	91.8	LYNNFIELD	670,996,014	1,125,273,000	67.7
BEVERLY	1,510,523,730	2,423,598,000	60.4	DENNIS	1,422,940,153	2,517,075,000	76.9	HAMPODEN	123,192,600	200,682,000	62.9	MALDEN	1,320,685,021	2,406,241,000	82.2
BILLERICA	1,574,806,701	2,435,307,000	54.6	DIGHTON	162,341,000	278,605,000	71.6	HANCOCK	27,718,608	58,240,000	110.1	MANCHESTER	414,741,217	727,148,000	75.3
BLACKSTONE	143,649,359	298,824,000	108.0	DOUGLAS	122,971,072	236,533,000	92.3	HANDOVER	539,593,083	913,278,000	69.3	MANSFIELD	647,325,801	1,100,617,000	70.0
BLANDFORD	39,968,791	61,575,000	54.1	DOVER	459,814,000	755,121,000	64.2	HANSON	229,370,320	443,190,000	93.2	MARBLEHEAD	1,430,869,129	2,406,768,000	65.9
BOLTON	180,122,606	270,372,000	50.1	DRAUGHT	678,536,961	1,115,607,000	64.4	HARDUICK	43,264,632	65,427,000	51.2	MARTIN	320,193,325	544,984,000	70.2
BOSTON	22,763,118,000	38,328,146,000	68.4	DUDLEY	200,056,013	342,583,000	71.2	HARVARD	318,694,110	513,979,000	61.3	MARLBOROUGH	1,422,829,517	2,311,846,000	62.5
BOURNE	806,346,553	1,543,043,000	91.4	DUNSTABLE	92,147,000	147,194,000	59.7	HARWICH	858,359,139	1,584,105,000	84.6	MARSHFIELD	888,621,595	1,572,693,000	77.0
BOXBOROUGH	202,555,301	352,013,000	73.8	DUXBURY	752,490,733	1,601,097,000	112.8	HATFIELD	89,825,553	167,353,000	86.3	MASHPEE	648,694,000	1,327,983,000	104.7
BOXFORD	345,753,711	662,252,000	91.5	EAST BRIDGEWATER	269,122,810	533,697,000	98.3	HAVERHILL	1,326,963,827	2,400,880,000	80.9	MATTAPOISETT	274,291,000	540,220,000	97.0
BOYLSTON	139,760,162	270,384,000	93.5	EAST BROOKFIELD	42,315,176	79,066,000	86.9	HALEY	12,942,144	14,628,000	13.0	MATTHEW	380,032,419	641,343,000	68.8
BRAintree	1,564,921,000	2,343,458,000	49.7	EAST LONGMEADOW	470,651,981	741,662,000	57.6	HEATH	28,158,649	40,468,000	43.8	MEFIELD	497,998,350	808,710,000	62.4
BREWSTER	554,895,480	1,110,457,000	100.1	EASTHAM	487,435,053	931,901,000	91.2	HINGHAM	1,131,767,769	1,871,409,000	65.4	MEDFORD	1,772,226,000	3,055,388,000	72.4
BRIDGEWATER	434,762,049	809,956,000	86.3	EASTHAMPTON	434,238,732	574,463,000	66.9	HINSDALE	58,129,000	82,630,000	42.2	MEDWAY	362,627,839	543,745,000	49.7
BRIARFIELD	61,851,892	90,607,000	46.5	EASTON	615,846,000	1,159,300,000	88.2	HOLBROOK	283,039,875	543,868,000	92.2	MELROSE	1,100,724,752	1,703,371,000	54.9
BROCKTON	2,141,402,443	3,358,075,000	56.8	EDGEMONT	694,126,681	1,033,261,000	51.7	HOLDEN	429,601,885	821,170,000	91.1	MENON	147,699,000	237,079,000	60.5
BROOKFIELD	47,985,904	94,344,000	96.6	EGREMONT	91,069,061	146,804,000	61.2	HOLLAND	72,612,529	104,968,000	44.6	MERRIMAC	125,561,000	227,817,000	81.4

1988 EQUALIZED VALUATIONS

	Equalized Valuation 1986	Equalized Valuation 1988	Pct Chg 86-88		Equalized Valuation 1986	Equalized Valuation 1988	Pct Chg 86-88		Equalized Valuation 1986	Equalized Valuation 1988	Pct Chg 86-88
METHUEN	1,232,272,799	2,101,838,000	70.6	OXFORD	262,135,905	506,391,000	93.2	SHREWSBURY	903,801,007	1,586,716,000	75.6
MIDDLEBORO	462,121,906	909,371,000	96.8	PALMER	248,570,624	407,542,000	64.0	SHUTESBURY	42,939,000	63,819,000	48.6
MIDDLEFIELD	13,457,460	19,032,000	41.4	PAXTON	118,689,000	233,194,000	96.5	SOMERSET	847,498,785	1,251,396,000	47.7
MIDDLETON	210,313,754	446,924,000	112.5	PEARCOY	1,807,627,540	3,119,190,000	72.6	SOMERVILLE	2,009,204,000	3,482,402,000	73.3
MILFORD	758,390,833	1,322,226,000	74.3	PELHAM	37,088,517	68,956,000	85.9	SOUTH HADLEY	388,014,000	608,509,000	56.8
MILLBURY	292,227,608	541,365,000	85.2	PEMROKE	461,265,295	958,557,000	107.8	SOUTHAMPTON	122,337,000	210,653,000	72.2
MILLS	283,094,940	469,377,000	65.8	PEPPERELL	263,275,317	502,278,000	90.8	SOUTHBOROUGH	405,845,470	671,183,000	65.4
MILLVILLE	36,865,000	90,573,000	145.7	PERU	19,030,000	27,754,000	45.8	SOUTHBRIDGE	297,193,468	541,175,000	82.1
MILTON	1,154,026,443	1,817,808,000	57.5	PETERSHAM	38,894,478	55,290,000	42.2	SOUTHUICK	175,415,436	320,376,000	82.6
MONROE	8,833,232	8,232,000	-6.8	PHILLIPSTON	42,577,000	61,806,000	45.2	SPENCER	240,760,000	440,067,000	82.8
MONSON	154,459,272	253,560,000	64.2	PITTSFIELD	1,238,354,487	1,881,210,000	51.9	SPRINGFIELD	2,864,435,000	4,320,164,000	50.8
MONTAGUE	191,548,439	317,443,000	65.7	PLAINFIELD	18,821,000	30,259,000	60.8	STERLING	199,281,000	394,708,000	98.1
MONTGOMERY	59,288,254	103,833,000	75.1	PLAINVILLE	216,594,933	381,213,000	76.0	STOCKBRIDGE	194,738,538	281,906,000	44.8
MONTGOMERY	19,247,000	27,961,000	45.3	PLYMOUTH	2,058,234,510	3,442,289,000	67.2	STONEHAM	1,008,506,086	1,437,779,000	42.6
M. WASHINGTON	15,727,000	25,675,000	63.3	PLYMPTON	83,364,647	148,386,000	78.0	STOUGHTON	883,336,985	1,571,534,000	77.9
NAMANT	227,410,099	379,499,000	66.9	PRINCETON	86,171,000	194,232,000	125.4	STOW	294,140,442	488,209,000	66.0
NANTUCKET	1,768,612,000	2,963,694,000	67.6	PROVINCETOWN	357,171,758	591,082,000	65.5	STURBRIDGE	258,888,356	441,286,000	70.5
NATICK	1,548,850,000	2,463,651,000	59.1	QUINCY	3,003,388,096	4,943,701,000	64.6	STURRY	852,201,929	1,532,454,000	79.8
NEEDHAM	1,969,220,000	3,116,952,000	58.3	RANDOLPH	978,179,166	1,609,593,000	64.5	SUNDERLAND	80,610,000	161,209,000	100.0
NEW ASHFORD	14,840,404	15,927,000	7.3	RAYNHAM	286,218,000	555,574,000	94.1	SUTTON	197,855,882	350,134,000	77.0
NEW BEDFORD	1,346,451,000	2,585,046,000	92.0	READING	1,010,105,546	1,585,436,000	57.0	S. AMPSFORD	818,954,689	1,316,356,000	60.7
NEW BRAINTREE	23,410,875	41,882,000	78.9	REHOBOTH	233,987,000	470,603,000	101.1	SUANSSEA	443,731,000	726,936,000	63.8
NEW HARBOR	98,719,306	147,706,000	49.6	REVERE	1,289,999,000	2,272,673,000	76.2	TAUNTON	813,280,100	1,812,793,000	122.9
NEW SALEM	19,827,000	28,597,000	44.2	RICHMOND	78,746,426	121,509,000	54.3	TEMPLETON	104,974,000	216,280,000	106.0
NEWBURY	216,442,749	299,516,000	38.4	ROCHESTER	106,989,000	238,997,000	123.4	TEWKSBURY	848,038,275	1,640,506,000	93.4
NEWBURYPORT	715,939,497	1,172,375,000	63.8	ROCKLAND	410,891,363	732,092,000	78.2	THURSBURY	359,653,971	546,536,000	52.0
NEWTON	5,363,829,003	8,599,177,000	60.3	ROCKPORT	433,722,730	822,040,000	89.5	TOLLAND	47,896,000	54,887,000	14.6
NORFOLK	268,197,702	544,842,000	103.1	ROSE	165,444,786	181,495,000	9.7	TOPSFIELD	280,910,782	504,586,000	79.6
NORTH ADAMS	215,424,657	359,332,000	66.8	ROULEY	186,101,384	285,612,000	53.5	TOWNSEND	235,391,697	401,502,000	70.6
NORTH ANDOVER	1,049,222,000	1,911,476,000	82.2	ROYALSTON	24,794,317	46,429,000	87.3	TRURO	288,973,266	667,350,000	130.9
NORTH ATTLEBORO	660,324,422	1,156,807,000	75.2	RUSSELL	37,693,831	57,454,000	52.4	TYNGSBOROUGH	255,033,398	500,017,000	96.1
N. BROOKFIELD	91,630,804	131,266,000	43.3	RUTLAND	101,383,504	186,467,000	83.9	TYRINGHAM	30,091,000	44,621,000	48.3
N. READING	560,571,015	916,040,000	63.4	SALEM	1,450,148,000	2,416,055,000	66.6	UPTON	116,085,000	289,417,000	149.3
NORTHAMPTON	791,076,643	1,247,085,000	57.6	SALISBURY	256,962,000	586,922,000	128.4	UNBRIDGE	217,436,843	420,358,000	93.3
NORTHBOROUGH	473,269,274	863,623,000	78.3	SANDSFIELD	62,422,000	90,665,000	45.2	WAREFIELD	1,054,883,185	1,714,369,000	62.5
NORTHBRIIDGE	238,997,794	498,807,000	108.7	SANDWICH	864,558,380	1,614,914,000	86.8	WALES	26,922,000	41,132,000	52.8
NORTHFIELD	80,889,830	129,282,000	59.8	SAUGUS	1,133,876,705	1,725,497,000	52.2	WALPOLE	821,425,899	1,407,832,000	71.4
NORTON	315,738,368	689,900,000	118.5	SAVOY	16,417,000	17,323,000	5.5	WALTHAM	2,430,138,900	4,205,957,000	73.1
NORWELL	512,472,870	824,128,000	60.8	SCITUATE	750,156,000	1,445,043,000	92.6	WARE	175,978,000	281,814,000	60.1
NORWOOD	1,285,495,597	2,104,304,000	63.7	SEEKONK	449,376,777	791,430,000	76.1	WAREHAM	658,326,111	1,353,664,000	105.6
OAK BLUFFS	330,059,472	615,847,000	86.6	SHARON	583,120,000	1,092,879,000	87.4	WARREN	77,081,389	132,219,000	71.5
OAKHAM	34,488,189	71,480,000	107.3	SHEFFIELD	130,022,745	197,819,000	52.1	WARWICK	21,658,810	36,393,000	68.0
ORANGE	107,659,115	204,265,000	89.7	SHELburne	52,442,000	92,228,000	75.9	WASHINGTON	17,174,382	24,626,000	43.4
ORLEANS	707,747,700	1,263,571,000	78.5	SHERBORN	324,997,833	514,653,000	58.4	WATERTOWN	1,574,862,457	2,530,050,000	60.7
OTIS	125,997,206	205,191,000	62.9	SHIRLEY	127,114,600	218,137,000	71.6	WAYLAND	840,669,668	1,274,705,000	51.6
				STATE TOTALS				FY86:			
								FY88:			
								Pct Chg:			
								69.27			

Continued from page one

technical corrections bill has only recently been passed by Congress. Despite the law's complexity and the uncertainties, many of the difficulties can be avoided with proper planning. Such planning will enable most issuers to stay below the various borrowing limits and thus avoid the rebates and other penalties. We would therefore like to make the following recommendations to the appropriate local officials to make life with Tax Reform a little easier.

1. Meet with financial advisors at the beginning of each year to plan the timing and sizing of note and bond issuance. Maintain constant communication with your financial advisor and bond counsel as financing needs change during the course of the year. For most municipalities with established advisory relationships, there should only be a minimal cost for this service which could save the municipality significant amounts of money.

2. Review each project for a potential private activity. Will the school wing being renovated be leased out to a private party? Will the municipal recreation facility be operated by a private contractor? Is the sewer being expanded specifically to meet the needs of a single business? There are often ways to keep your bonds tax exempt. The key is to think ahead and raise the questions with bond counsel *before* you authorize or issue debt.

3. Inform the treasurer early regarding such items as proposals for debt authorization, mailing of tax bills, revaluation delays, impending large expenditures and other matters that could affect borrowing requirements and cash flow. Effective communication will be vital to success in the new environment created by the law.

4. Increase the awareness of the Tax Reform Law among all municipal officials. This will be especially important with assessors and department heads. Department heads should be encouraged to prepare cash flows on capital expenditures so that borrowing can be kept to a minimum.

5. Ensure that assessors and the tax collectors have sufficient resources for timely mailing and processing of tax bills. This will reduce the need for tax anticipation borrowing. Estimated tax bills are an important financial tool if tax bills will be significantly delayed.

6. Avoid late fall town meetings, which delay the setting of the tax rate and often necessitate the issuance of tax anticipation notes.

7. When financially feasible, keep the size of bond issues down by funding equipment and minor renovations in the operating budget

rather than from bond proceeds. If this is not possible, you may want to consider the capital outlay expenditure exclusion provided in Proposition 2 1/2.

8. Encourage all department heads to implement a policy whereby major discretionary expenditures are scheduled for a time when the municipality is in a positive cash position. This policy should also be considered when setting due dates on bond issues.

9. Encourage the establishment of a capital financing plan to even out borrowing from year to year. This will provide a better chance of staying within the applicable limits of the Tax Law and provide for a reasonable long term financing plan for capital projects.

If implemented, these recommendations will give your treasurer the best chance of staying within the various limits of the law and therefore keeping interest cost down and interest earned on borrowing proceeds in the local treasury rather than rebated.

MUNICIPAL FISCAL CALENDAR

JANUARY 1: Assessors; *Property Tax Assessment Date.* This is the effective date for the assessed owner and value (not for exemption purposes) on which all property is assessed statewide for the following fiscal year.

JANUARY 20: Appellate Tax Board; *Final date to act on municipal appeals of proposed 1988 equalized valuations*

JANUARY 31: DOR: Bureau of Local Assessment; *Final date to report 1988 EQVs* The 1988 EQVs are final when they are presented to the Legislature on or before January 31, 1989.

JANUARY 31: DOR: Bureau of Accounts; *Calculation of preliminary Levy Limits* The first step in calculating the levy limit for the next fiscal year is to use the previous fiscal year's levy limit as the base amount. To this, one adds the 2.5 percent statutory increase, plus new growth calculated by the Assessors (and certified by the DOR), plus any override voted to arrive at the new levy limit. Any debt exclusions voted are added to the levy limit to determine the maximum amount to be levied.

JANUARY 31: Finance Committee; *Begin review of Selectmen's budget recommendations.*

JANUARY 31: DOR: Property Tax Bureau; *Determine a schedule of minimum bond amounts for Collectors, Treasurers, and Town Clerks.* This schedule only suggests minimum bond amounts recommended for officials based on the amounts of cash each handles. It is the responsibility of the Selectmen to set an amount and to insure a surety bonds.

ON THE HILL

A bill sponsored by the Department of Revenue, Division of Local Services has recently been signed into law and will go into effect February 6, 1989. DOR bill H. 258, an Act Relative to Local Property Taxation and Approval of Tax Rates, is now Chapter 276 of the Acts of 1988. The new law expands the definition of "new growth" under Proposition 2 1/2 and requires the reporting of all "new growth" to the Commissioner prior to approval of the tax rate.

This law is necessary to enable cities and towns to take advantage of all new construction under the provisions of Proposition 2 1/2. The present law allows communities to increase their tax levy limit for new growth, which is defined as at least a 50% increase in valuation over the previous year for residential property. However, this definition excludes substantial amounts of new construction, such

as where a house is built upon a large parcel of very valuable property, or where an addition is made to a large apartment building. The new law expands the definition of new growth to include any new dwelling unit.

The new law provides that in determining the levy limit applicable to cities and towns pursuant to Proposition 2 1/2, the Commissioner shall require the reporting of "new growth" as a condition of approving the tax rate. The city or town is still free to determine whether or not it will use this additional taxing authority. This reporting requirement is already found in the FY 1989 state budget. That provision, however, is applicable for one year only, while the new law makes the requirement permanent.

The Latest in Financial Assistance

AYER: FINANCIAL MANAGEMENT REVIEW

A municipal "Data Management and Technical Assistance team has prepared a report on Ayer's financial management organization. This review revealed that Ayer's financial management was decentralized, having no single board or individual with the authority to coordinated financial functions. The review resulted in a number of recommendations among which were filling the vacant Town Accountant's position, formalizing the budget process, reviewing the current and future staffing needs of the Assessing Offices, developing a cash flow budget, and correcting the motor vehicle excise procedures.

CITY & Town, a publication of the Massachusetts Department of Revenue's Division of Local Services, is published 11 times per year. The Division is responsible for oversight and assistance to cities and towns in achieving equitable property taxation and efficient fiscal management.

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Stephen W. Kidder
Commissioner

University of Massachusetts
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Edward J. Collins, Jr.
Deputy Commissioner

THE PRIVATE ATTORNEY GENERAL THEORY

When litigations arise involving the open meeting law, are attorney fees recoverable? This question was examined in the summer of 1986 after three Chicopee voters filed suit against that town's board of health.

In July of 1986, the board of health met to deliberate the reopening of a restaurant closed because of an incidence of salmonella poisoning. Before the meeting, a member of the board was seen conversing with the owners of the restaurant by a newspaper reporter. The meeting took place behind closed doors and there were no minutes taken. No motion was made to open the meeting and go into executive session as required by Chapter 39, Section 23B of the General Laws. The board subsequently allowed the restaurant to reopen.

Later in the summer, the board posted notice that a special meeting would be held concerning a revised landfill plan and variances from the board's regulations. The notice had the meeting scheduled for 7:00 p.m. In actuality, the meeting began at 6:15 p.m. in a closed room behind the board's offices. The landfill operator was granted a variance from the board's landfill regulations. Again, there were no minutes of the meeting and no record of the vote. At 7:00 p.m., the board announced its decision to the public.

The plaintiffs filed suit to invalidate the two meetings because they were held in violation of the open meeting law and then sought to recover attorney's fees. The superior court found the Chicopee board of health to have "openly, flagrantly, and seriously" violated the open meeting law. The judge invalidated the actions taken at the meetings and ordered that new ones be held. Attorney's fees and costs were awarded to the plaintiffs.

The propriety of the award of attorney's fees was the sole issue on appeal to the Supreme Judicial Court. The three Chicopee voters contended that the fee award should be upheld on a "private attorney general" theory. Under this supposition, the plaintiffs should be favored since the litigation vindicates the rights of the general public. The plaintiffs, in bringing an action to enforce the open meeting law, were enforcing the public's right.

Like most states, Massachusetts generally does not award attorney's fees as an appropriate item of damages in the absence of specific legislative authorization. California, Idaho and Wisconsin have judicially adopted "private attorney general" policies in the absence of legislation. For the most part, each party must bear his own legal costs.

The Supreme Judicial Court remanded the case to the superior court to examine if the board's legal defenses to the open meeting law violations where "wholly insubstantial, frivolous, and not advanced in good faith" so as to render the board liable for attorney fees in accordance with G.L. Ch. 231 Sec. 6F.

INSIDE:

- * This month's FOCUS... trends in population
- * Repair Plate "Car of the Month"
- * Preparing tax bills with CAMA

FROM THE EDITOR

Dear CITY & Town Readers:

Some of you may have noticed a change in the mailing service of CITY & Town this month or will experience one in February. Certain groups of readers who were receiving CITY & Town at their homes will now receive their copies at their municipal offices.

We have removed individual names from these labels and have moved toward a more "generic" mailing list. This mailing list change applies to CITY & Town ONLY. The delivery of all other DLS material will continue as before.

The following groups of readers will now receive their copies of CITY & Town at their municipal office's designated mail drop:

Municipal Accountants and Auditors
Assessors
Selectmen
Executive Secretaries
Executive Assistants
School Committee Members
School Superintendents
City Councillors
Municipal Treasurers
Municipal Collectors
Municipal Clerks

Those readers affected may be inconvenienced and for this, we apologize. However, groups selected for address changes are those with constantly changing memberships. Keeping up with these changes is almost impossible. In this time of financial restraint, it is ever more important that we produce and distribute our newsletter as efficiently as we can. Again, we apologize for any inconvenience this change causes. We appreciate your patience and value your readership.

Sincerely,



Elizabeth Rose Anderson, Editor
CITY & Town

REPAIR PLATE MISUSE

Each month, *CITY & Town* publishes what the Division of Local Services determines to be the incidence of the most flagrant abuse of repair plates on a luxury automobile which was discovered during the preceding month. Each report relates the excise amount for which such a vehicle would be liable were the car to have been properly taxed over the first five years of its life. Because of the DLS's program, much of the otherwise lost revenue will be recovered on the particular vehicle by the municipality where the vehicle is principally garaged.

February's Selection:

1985 Jaguar XJ6111

Location: A Lowell auto repair shop

Manufacturer's List Price \$32,250

Five Year Excise Liability \$1,814

MUNICIPAL FISCAL CALENDAR

FEBRUARY 15: Treasurers: *Second quarter reconciliation of cash (due 45 days after end of quarter)*. SEE November's First Quarter Reconciliation of Cash.

FEBRUARY 15: Finance Committees: *Continue budget review and develop recommendations*. This will depend on dates of town meeting.

The Latest in Financial Assistance

ASHBURNHAM: Financial Management Review

The Division's Technical Assistance and Local Assessment units completed a management review of the financial offices in the town of Ashburnham. The review analyzed the operation and financial management responsibilities of the Board of Assessors, Treasurer/Collector, and Town Accountant. The review revealed delays in tax rate setting, a need for automation, and training needs in some of the financial offices. The team's report recommended improvements in the tax rate setting process, training options available, and future organizational considerations.

Focus on Municipal Finance

A regular supplement to CITY & Town

MASSACHUSETTS POPULATION TRENDS 1970 TO 1995

As Massachusetts rapidly changes, local officials are counted on to plan for constructive change in their communities, and to be prepared for responding to changes in the needs of local residents. It is difficult at times to obtain solid information that indicates exactly how many of those residents there are and how many there will be in the future.

This CITY and Town FOCUS uses three types of data to show the degree of change in the overall population of each municipality. FOCUS examines population changes from 1970 to the present, as well as the probable changes to take place through 1995. Actual U.S. Census Bureau headcounts are available every ten years. In intervening years, the Bureau calculates biennial estimates for each city and town. Finally, the Massachusetts Institute for Social and Economic Research has developed a set of projections for 1990 and 1995.

Results

Statewide Totals

As a whole, Massachusetts has experienced moderate population growth since 1970 and is expected to continue to do so through 1995.

MASSACHUSETTS POPULATION

ACTUAL 1970 AND 1980

ESTIMATED 1986

PROJECTED 1990 AND 1995

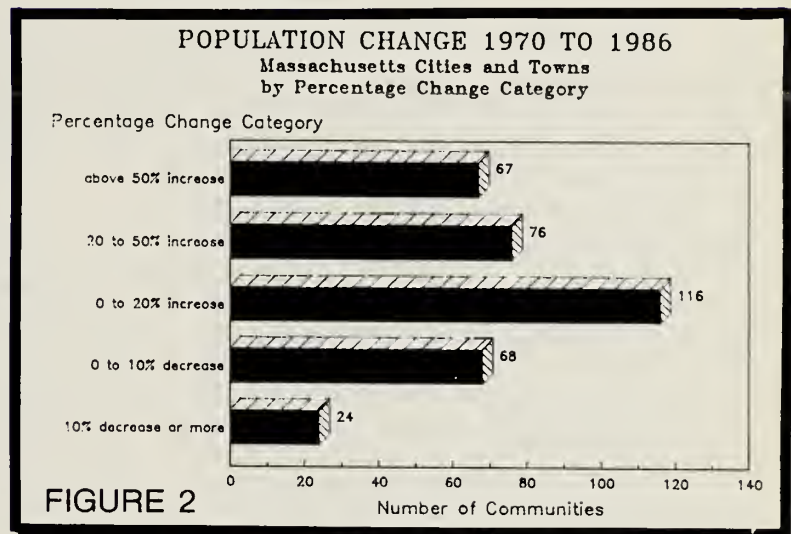
1970	5,689,377
1980	5,737,037
1986	5,831,920
1990	5,891,165
1995	5,976,917

FIGURE 1

Results by City and Town

The statewide totals obscure the fact that in individual cities and towns there are dramatic increases and occasional decreases. These shifts can be seen in Table 1 which illustrates the actual 1970, estimated 1986, and projected 1995 population in each municipality.

Between 1970 and 1986, substantial growth occurred in localities across the state. FIGURE 2 shows that 67 or 19% of the state's 351 cities and towns saw their populations swell by more than 50% during that period. On the other hand, 24 (7%) experienced decreases of more than 10%.



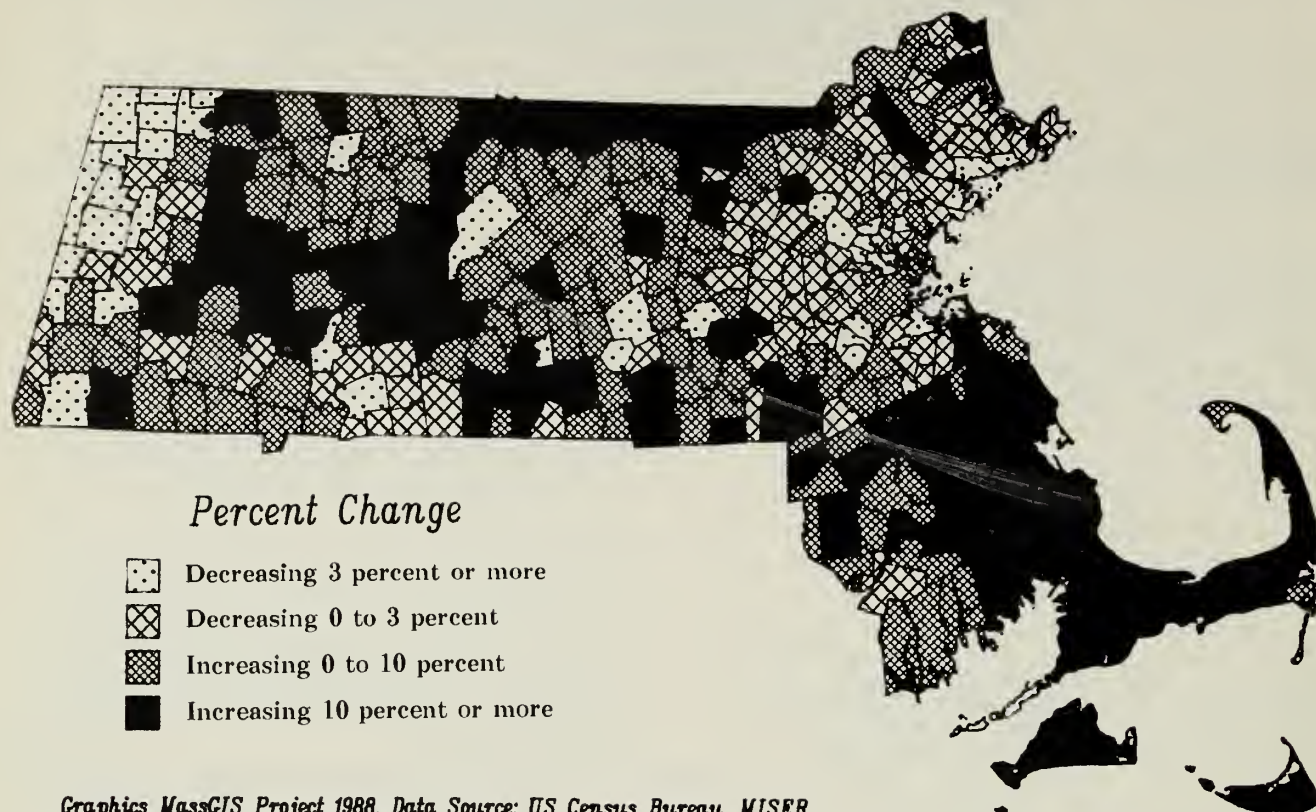
Projected figures (FIGURE 4) indicate that between 1986 and 1995, 31 communities (9%) can expect to increase by more than 25%, and 77 (22%) more to increase by between 10% and 25%. About one community in three can anticipate a decrease in population. Only 44 municipalities (13%) are projected to see more than a 3% decline.

Shifts in Age

The actual census figures from 1970 and 1980, and the projected figures for 1990 and 1995, break down the population by age group.

PROJECTED POPULATION 1986 - 1995 MASSACHUSETTS CITIES AND TOWNS

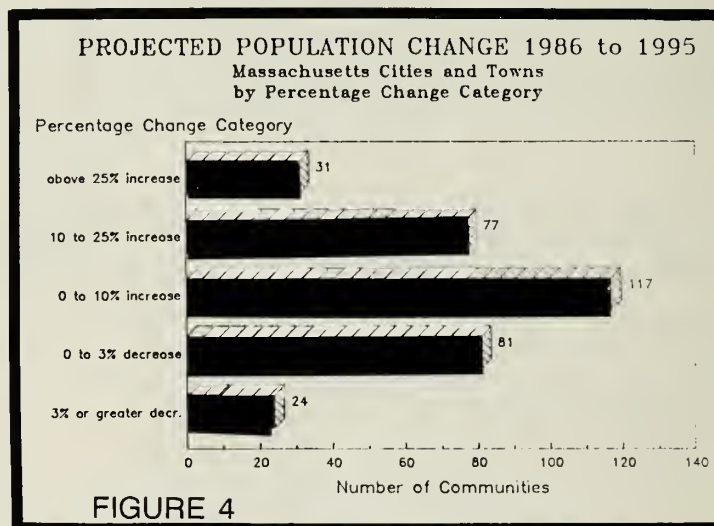
FIGURE 3



Statewide results show that the population is "growing older." The percentage aged 0-19 dropped from 36.6% in 1970 to 30.0% in 1980 and is projected to fall further, to 26.4% in 1990 and 26.1% in 1995 (SEE FIGURE 5 on page 8). The "baby boomers" who were born in the 1950's and early 1960's are now in adulthood. While their children are creating what some have called a "baby boomerang" (births have been increasing in Massachusetts every year since 1977), the impact of this trend should not approach the magnitude of the one that occurred three decades ago. As a result, the 20-59 age group is projected to go from a 47.8% share of the population in 1970 to 55.7% in 1995. The 60 and above age group is also expected to increase, from 15.6% in 1970 to 18.2% in 1995.

The map in FIGURE 3 confirms that population change is often a regional phenomenon. Those municipalities with dark shadings are expected to see rapid growth over the nine-year period between 1986 and 1995. Cape Cod and Plymouth County, towns on the central northern and southern borders, and two

groups of mid-western communities are high-growth clusters. Suburbs of Boston and Springfield, as well as a group of northwestern communities, can plan on population declines.



Continued on page 8

POPULATION IN 1970, 1986, 1995

	ACTUAL 1970	EST 1986	PROJ 1995	% CHG 86-95		ACTUAL 1970	EST 1986	PROJ 1995	% CHG 86-95		ACTUAL 1970	EST 1986	PROJ 1995	% CHG 86-95		ACTUAL 1970	EST 1986	PROJ 1995	% CHG 86-95
ABINGTON	12,334	13,630	15,243	11.8	BROOKLINE	58,886	52,360	52,079	-0.5	ERVING	1,260	1,420	1,533	8.0	HOLLISTON	12,069	12,980	12,781	-1.5
ACTION	14,770	17,350	17,088	-1.5	BUCKLAND	1,892	1,890	1,991	5.3	ESSEX	2,670	2,960	2,917	-1.5	HOLYOKE	50,112	42,000	40,598	-3.3
ACUSHNET	7,767	9,070	9,447	4.2	BURLINGTO	21,980	22,750	22,413	-1.5	EVERETT	42,485	36,330	35,362	-2.7	HOPEDALE	4,292	3,980	4,009	0.7
ADAMS	11,772	10,080	9,666	-4.1	CANTORIDGE	100,361	91,260	84,298	-7.6	FAIRHAVEN	16,332	15,690	16,133	2.8	HOPKINTON	5,981	8,460	10,897	28.8
AGAWAM	21,717	27,130	27,182	0.2	CANTON	17,100	18,340	18,405	0.4	FALL RIVER	96,898	90,420	88,987	-1.6	HUBBARDSTON	1,437	2,010	2,052	2.1
ALFORD	302	400	388	-3.0	CARLISLE	2,871	4,060	5,278	30.0	FALMOUTH	15,942	25,440	28,685	12.8	HUDSON	16,084	17,550	18,263	4.1
AMESBURY	11,388	14,780	14,565	-1.5	CARVER	2,420	10,470	14,056	34.3	FITCHBURG	43,343	39,040	39,401	0.9	HULL	9,961	9,630	10,520	9.2
AMHERST	26,331	32,260	36,098	11.9	CHARLEMONT	897	1,210	1,292	6.8	FLORIDA	672	690	666	-3.5	HUNTINGTON	1,593	1,930	2,162	12.0
ANDOVER	23,695	27,230	26,852	-1.4	CHARLTON	4,654	8,110	9,643	18.9	FOXBOROUGH	14,218	14,550	14,471	-0.5	IPSWICH	10,750	11,750	11,579	-1.5
ARLINGTON	53,524	44,350	40,639	-8.4	CHATHAM	4,554	6,430	6,986	8.6	FRAMINGHAM	64,048	63,890	62,925	-1.5	KINGSTON	5,999	8,200	10,746	31.0
ASHBURNHAM	3,484	4,930	6,161	25.0	CHELMFORD	31,432	31,810	31,400	-1.3	FRANKLIN	17,830	19,620	22,188	13.1	LAKEVILLE	4,376	7,350	11,355	54.5
ASHBY	2,274	2,730	3,381	23.8	CHELSEA	30,625	25,640	25,825	0.7	FREETOWN	4,270	8,020	8,712	8.6	LANCASTER	6,095	6,160	6,217	0.9
ASHFIELD	1,274	1,530	1,628	6.4	CHESHIRE	3,006	3,340	3,293	-1.4	GARDNER	19,748	18,420	18,523	0.6	LANESBOROUGH	2,972	3,170	3,055	-3.6
ASHLAND	8,882	10,870	14,473	33.1	CHESTER	1,025	1,220	1,233	1.1	GAY HEAD	118	220	308	40.0	LAURENCE	66,915	63,420	61,545	-3.0
ATHOL	11,185	10,840	10,896	0.5	CHESTERFIE	704	1,210	1,557	28.7	GEORGETOWN	5,290	6,010	5,921	-1.5	LEE	6,426	6,030	5,805	-3.7
ATTLEBORO	32,907	34,910	36,345	4.1	CHICOPEE	66,676	57,100	55,788	-2.3	GILL	1,100	1,300	1,374	5.7	LEICESTER	9,140	9,680	9,844	1.7
AUBURN	15,347	14,580	13,854	-5.0	CHILMARK	340	620	821	32.4	GLOUCESTER	27,941	28,230	27,901	-1.2	LENOX	5,804	6,550	6,526	-0.4
AVON	5,293	4,790	4,588	-4.2	CLARKSBURG	1,987	1,790	1,713	-4.3	GOSHEN	483	760	845	11.2	LEOMINSTER	32,939	35,060	35,389	0.9
AYER	7,395	6,780	6,671	-1.6	CLINTON	13,383	12,440	12,443	.0	GOSNOLD	83	50	26	-48.0	LEVERETT	1,005	1,560	1,665	6.7
BARNSTABLE	19,842	36,540	45,687	23.0	COHASSET	6,954	7,290	7,252	-0.5	GRAFTON	11,659	11,840	12,537	5.9	LEXINGTON	31,886	28,610	26,629	-6.9
BARRE	3,825	4,380	4,617	5.4	COLRAIN	1,420	1,670	1,783	6.8	GRANBY	5,473	5,550	6,145	10.7	LEYDEN	376	620	682	10.0
BECKETT	929	1,610	1,927	19.7	CONCORD	16,148	16,470	16,228	-1.5	GRAVILLLE	1,008	1,360	1,381	1.5	LINCOLN	7,567	7,710	8,220	6.6
BEDFORD	13,513	12,490	11,808	-5.5	CONWAY	998	1,400	1,531	9.4	GREAT BARR	7,537	7,280	7,526	3.4	LITTLETON	6,380	7,170	7,266	1.3
BELCHERTON	5,936	9,670	12,395	28.2	CUMMINGTON	562	800	1,055	31.9	GREENFIELD	18,116	17,900	17,221	-3.8	LONGMEADOW	15,630	16,380	16,015	-2.2
BELLINGHAM	13,967	14,230	14,157	-0.5	DALTON	7,505	6,510	6,106	-6.2	GROTON	5,109	7,030	8,371	19.1	LOWELL	94,239	92,880	94,962	2.2
BELMONT	28,285	25,020	23,340	-6.7	DANVERS	26,151	24,150	23,515	-2.6	GROVELAND	5,400	5,080	4,940	-2.8	LUDLOW	17,580	18,740	18,555	-1.0
BERKLEY	2,027	3,630	5,342	47.2	DARTMOUTH	18,800	25,610	26,833	4.8	HADLEY	3,760	4,120	4,611	11.9	LUNENBURG	7,419	8,850	8,969	1.3
BERLIN	2,099	2,220	2,239	0.9	DEDHAM	26,938	23,810	21,795	-8.5	HALIFAX	3,537	6,230	7,253	16.4	LYNN	90,294	78,560	77,371	-1.5
BERNARDSTO	1,659	1,790	1,887	5.4	DEERFIELD	3,873	4,700	5,002	6.4	HAMILTON	6,373	7,140	7,051	-1.2	LYNNFIELD	10,826	11,350	11,181	-1.5
BEVERLY	38,348	36,980	34,893	-5.6	DENNIS	6,454	13,700	17,207	25.6	HAMPDEN	4,572	4,650	4,546	-2.2	MALDEN	56,127	53,490	52,668	-1.5
BILLERICA	31,648	38,230	37,841	-1.0	DIGHTON	4,667	5,420	5,649	4.2	HANCOCK	675	600	558	-7.0	MANCHESTER	5,151	5,260	4,609	-12.4
BLACKSTONE	6,566	7,120	7,917	11.2	DOUGLAS	2,947	4,590	5,575	21.5	HANOVER	10,107	11,560	13,227	14.4	MASSFELD	9,939	14,920	15,623	4.7
BLANDFORD	863	1,160	1,177	1.5	DOVER	4,529	4,830	4,808	-0.5	HANSON	7,148	9,010	10,299	14.3	MARBLEHEAD	21,295	19,580	17,238	-12.0
BOLTON	1,905	2,940	3,070	4.4	DRACUT	18,214	24,040	26,972	12.2	HARDWICK	2,379	2,300	2,317	0.7	MARION	3,466	4,170	4,780	14.6
BOSTON	641,071	573,600	575,545	0.3	DUDLEY	8,087	8,840	9,153	3.5	HARVARD	13,426	13,140	14,862	13.1	MARLBOROUGH	27,936	31,180	30,716	-1.5
BOURNE	12,636	15,730	19,564	24.4	DUNSTABLE	1,292	2,080	2,505	20.4	HARVICH	5,892	9,860	11,725	18.9	MARSHFIELD	15,223	22,180	25,658	15.7
BOXBOROUGH	1,451	3,060	3,019	-1.3	DUXBURY	7,636	13,820	16,212	17.3	HATFIELD	2,825	3,140	3,483	10.9	MASHEE	1,288	5,940	8,287	39.5
BOXFORD	4,032	6,220	6,823	9.7	E. BRIDGE	8,347	10,080	11,569	14.8	HAVERRHILL	46,120	48,620	49,064	0.9	MATTAPOISET	4,500	5,850	6,588	12.6
BOYLSTON	2,774	3,530	3,569	1.1	E. BROOKFI	1,801	1,860	1,640	-11.8	HAULEY	224	370	538	45.4	MAYNARD	9,710	9,900	10,017	1.2
BRAintree	35,050	34,690	34,523	-0.5	E. LONGME	13,029	12,910	12,627	-2.2	HEATH	383	580	721	24.3	MEDFIELD	9,821	10,610	11,016	3.8
BRENNSTER	1,790	7,050	8,892	26.1	EASTHAM	2,043	4,280	5,344	24.9	HINGHAM	18,845	19,670	22,162	12.7	MEDFORD	64,397	56,830	55,481	-2.4
BRIDGEMATE	11,829	18,420	22,896	24.3	EASTHAMPTO	13,012	16,330	18,265	11.8	HINSDALE	1,588	1,780	1,737	-2.4	MEDWAY	7,938	9,360	10,924	16.7
BRIMFIELD	1,907	2,680	3,100	15.7	EASTON	12,157	19,090	22,902	20.0	HOLBROOK	11,775	10,880	10,620	-2.4	MELROSE	33,180	28,790	26,927	-6.5
BROCKTON	89,040	93,870	103,849	10.6	EDGARTOWN	1,481	2,990	3,763	25.9	HOLDEN	12,564	13,750	13,881	1.0	MENDON	2,524	3,490	3,759	7.7
BROOKFIELD	2,063	2,730	3,201	17.3	EGREMONT	1,138	1,310	1,280	-2.3	HOLLAND	931	1,780	1,824	2.5	MERRIMAC	4,245	4,870	5,042	3.5

POPULATION IN 1970, 1986, 1995

	ACTUAL 1970	EST 1986	PROJ % CHG 1995 86-95	ACTUAL 1970	EST 1986	PROJ % CHG 1995 86-95	ACTUAL 1970	EST 1986	PROJ % CHG 1995 86-95	ACTUAL 1970	EST 1986	PROJ % CHG 1995 86-95	ACTUAL 1970	EST 1986	PROJ % CHG 1995 86-95			
METHUEN	35,456	39,470	42,321	7.2	12,330	12,604	2.2	SHREWSBURY	19,196	22,560	22,792	1.0	WEBSTER	14,917	15,090	15,227	0.9	
MIDDLEBORO	13,607	17,410	21,221	21.9	11,800	11,897	0.8	SHUTESBURY	489	1,240	1,428	15.2	WELLESLEY	28,051	26,550	26,422	-0.5	
MIDDLEFIELD	288	430	541	25.8	3,731	3,830	3,829	0	SOMERSET	18,088	18,230	17,747	-2.6	WELLFLEET	1,743	2,390	2,916	22.0
MIDDLETON	4,044	4,710	5,458	15.9	46,300	45,594	-1.5	SOMERVILLE	88,779	72,280	70,032	-3.1	WENDELL	405	810	855	5.6	
MILFORD	19,352	24,230	24,471	1.0	937	1,360	1,550	14.0	S. HADLEY	17,033	16,230	17,792	9.6	WENHAM	3,849	3,810	3,751	-1.5
MILLBURY	11,987	11,840	11,693	-1.2	14,540	17,415	19.8	SOUTHAMPTON	3,069	4,450	5,086	14.3	W. BOYLSTON	6,369	6,040	5,898	-2.4	
MILLIS	5,686	7,250	7,321	1.0	9,630	11,674	21.2	SOUTHBOROUGH	5,798	6,420	6,482	1.3	W. BRIDGEWAY	7,152	6,520	7,420	13.8	
MILLVILLE	1,764	2,010	2,684	33.5	810	812	0.2	SOUTHBURGH	17,057	16,520	16,240	-1.7	W. BROOKFIELD	2,653	3,390	3,609	6.5	
MILTON	27,190	25,500	25,127	-1.5	1,015	1,000	897	-10.3	SOUTHWICK	6,330	7,920	7,971	0.6	W. NEWBURY	2,254	3,330	3,466	4.1
MONROE	216	140	104	-25.7	872	1,080	1,107	2.5	SPENCER	8,779	11,540	11,932	3.4	W. SPRINGFIELD	28,461	26,800	26,182	-2.3
MONSON	7,355	7,670	7,577	-1.2	49,580	47,165	-4.9	SPRINGFIELD	163,905	149,410	139,872	-6.4	W. STOCKBURY	1,354	1,310	1,258	-4.0	
MONTAGUE	8,451	7,980	8,328	4.4	287	460	521	13.3	STERLING	4,247	6,550	8,247	25.9	W. TISBURY	453	1,250	1,613	29.0
MONTGOMERY	600	970	1,050	8.2	4,953	6,080	6,262	3.0	STOCKBRIDGE	2,312	2,340	2,416	3.2	WESTBOROUGH	12,594	13,210	12,701	-3.9
MONTGOMERY	446	690	679	-1.6	18,606	40,290	47,980	19.1	STONEHAM	20,725	22,550	23,217	3.0	WESTFIELD	31,433	37,710	37,693	0
MT WASHINGTON	52	100	100	0.0	1,224	2,290	2,744	19.8	STOUGHTON	23,459	27,190	27,369	0.7	WESTFORD	10,368	15,210	15,333	0.8
NAHANT	4,119	3,940	3,685	-6.5	1,681	2,900	3,086	6.4	STON	3,984	5,470	5,441	-0.5	WESTHAMPTON	793	1,340	1,739	29.8
NANTUCKET	3,774	6,000	7,067	17.8	2,911	3,500	3,676	5.0	STURBRIDGE	4,878	7,310	9,639	31.9	WESTMINSTER	4,273	5,480	5,648	3.1
NATICK	31,057	30,270	29,835	-1.4	87,966	82,630	79,676	-3.6	SUDBURY	13,506	14,140	13,915	-1.6	WESTON	10,870	10,700	10,518	-1.7
NEEDHAM	29,748	27,240	26,629	-2.2	27,035	28,580	28,437	-0.5	SUNDERLAND	2,236	2,930	3,093	5.6	WESTPORT	9,791	14,010	14,598	4.2
NEW ASHFORD	183	140	134	-4.3	6,705	9,510	10,134	6.6	SUTTON	4,590	6,590	7,284	10.5	WESTWOOD	12,750	12,580	11,482	-8.7
NEW BEDF.	101,777	96,450	97,461	1.0	22,539	22,550	22,205	-1.5	SWAMPSCOTT	13,578	13,330	11,504	-13.7	WEYMOUTH	54,610	54,480	53,954	-1.0
NEW BRAINT	631	700	701	0.1	6,512	8,490	10,162	19.7	SWANSEA	12,640	15,790	16,445	4.1	WHATELY	1,145	1,340	1,447	8.0
NEW MARLBORO	1,031	1,330	1,485	11.7	43,159	43,510	44,965	3.3	TAUNTON	43,756	45,760	48,905	6.9	WHITMAN	13,059	13,350	15,147	13.5
NEW SALEM	474	880	969	10.1	1,461	1,640	1,585	-3.4	TEMPLETON	5,863	6,050	6,106	0.9	WILBRAHAM	11,984	12,420	12,150	-2.2
NEWBURY	3,804	5,360	6,122	14.2	1,770	3,980	5,111	28.4	TENKSBURY	22,755	25,660	25,970	1.2	WILLIAMSBURG	2,342	2,490	2,785	11.8
NEWBURYPORT	15,807	16,890	16,635	-1.5	15,674	15,340	16,147	5.3	TISBURY	2,257	3,480	4,328	24.4	WILLIAMSTOWN	8,454	8,090	7,799	-3.6
NEWTON	91,066	82,140	79,910	-2.7	5,636	6,690	6,592	-1.5	TOLLAND	172	260	265	1.9	WILMINGTON	17,102	17,530	17,263	-1.5
NORFOLK	4,656	7,930	9,188	15.9	277	380	462	21.6	TOPSFIELD	5,225	5,550	5,463	-1.6	WINCHENDON	6,682	7,710	8,802	14.2
NORTH ADAM	19,195	17,020	16,095	-5.4	3,040	4,250	4,354	2.4	TOWNSEND	4,281	8,600	10,169	18.2	WINCHESTER	22,269	20,120	19,003	-5.6
N. ANDOVER	16,284	22,390	25,401	13.4	809	1,060	1,221	15.2	TRURO	1,234	1,380	1,723	24.9	WINDSOR	468	620	610	-1.6
N. ATTLEBORO	18,665	23,460	29,040	23.8	1,382	1,620	1,589	-1.9	TYNGSBOROUGH	4,204	7,640	10,179	33.2	WINTHROP	20,335	18,640	18,786	0.8
N. BROOKFIELD	3,967	4,270	4,313	1.0	3,198	4,670	4,807	2.9	TYRINGHAM	234	380	380	0.0	WOBURN	37,406	37,380	39,091	4.6
N. READING	11,264	11,880	11,698	-1.5	40,556	38,050	36,854	-3.1	UPTON	3,488	4,270	4,484	5.0	WORCESTER	176,572	157,770	151,564	-3.9
NORTHAMPTON	29,664	28,360	30,615	8.0	4,179	7,270	8,779	20.8	UXBRIDGE	8,253	8,950	9,519	6.4	WORTHINGTON	718	1,150	1,634	42.1
NORTHBOROUGH	9,218	11,320	11,438	1.0	547	810	835	3.1	WAKEFIELD	25,402	25,170	24,784	-1.5	WRENTHAM	7,315	8,590	10,815	25.9
NORTHBRIDGE	11,887	12,440	12,559	1.0	5,239	12,470	18,145	45.5	WALES	852	1,460	1,904	30.4	YARMOUTH	12,033	19,800	22,929	15.8
NORTHFIELD	2,631	2,410	2,540	5.4	25,110	25,860	26,216	1.4	WALPOLE	18,149	19,720	21,503	9.0					
NORTON	9,487	13,710	15,633	14.0	322	770	844	9.6	WALTHAM	61,582	57,090	56,201	-1.6					
NORWELL	7,796	9,240	10,530	14.0	16,973	16,960	18,485	9.0	WARE	8,187	9,430	11,277	19.6					
NORWOOD	30,815	28,220	26,146	-7.3	11,116	12,710	13,625	7.2	WAREHAM	11,492	20,340	24,318	19.6	MASS.	5689377	5976917	2.5	
OAK BLUFFS	1,385	2,340	2,940	25.6	12,367	14,660	15,463	5.5	WARREN	3,633	3,880	4,192	8.0		5831920			
OAKHAM	730	1,270	1,808	42.4	2,374	2,660	2,559	-3.8	WARWICK	492	600	634	5.7					
ORANGE	6,104	7,500	8,130	11.4	1,836	2,020	2,128	5.3	WASHINGTON	411	610	598	-2.0					
ORLEANS	3,055	6,050	7,539	24.6	3,309	4,260	4,191	-1.6	WATERTOWN	39,307	32,890	32,177	-2.2					
OTIS	820	980	958	-2.2	4,909	5,550	6,468	16.5	WAYLAND	13,461	12,190	11,858	-2.7					

CAMA AND THE COMMONWEALTH

The Department of Revenue has developed a Computer-Assisted Mass Appraisal System (CAMA) to provide local assessors with a modern, cost-effective tool to maintain "full and fair cash values" and perform tax administration functions at a reasonable cost. Communities participating in CAMA receive from the Department the necessary software — designed and customized to meet the needs of Massachusetts assessors — and the training and support to operate the system.

Grafton, the first regular installation of the Department of Revenue's Computer Assisted Mass Appraisal (CAMA) system, became the first community to achieve final certification using CAMA. A few weeks later, Southborough, the CAMA program's pilot testing community, and New Braintree received certification. *Several other towns have used the system to produce tax bills using values generated by some other system as an interim step toward full use of the DOR system in the following year.*

Each town followed a different strategy in using the CAMA system. Grafton used the system to assess residential values, contracting out commercial/industrial and personal property valuation and transferring information electronically to the town's main computer for production of bills. With CAMA, Southborough conducted a comprehensive program of residential, commercial, industrial and personal property valuation and computed and printed tax bills. New Braintree employed a consultant to collect information and produce values using the DOR CAMA system, choosing to gradually expand the role of the part-time Board of Assessors in the revaluation process.

The immediate cost savings for each community varied with the strategy adopted, but each community is now positioned to lower long range costs of tax assessment and administration by either continuing to handle more tasks in-house or by having more options when negotiating consultant contracts.

A year and a half after the first installation, the DOR CAMA program now has 29 communities actively using the system, with 11 additional towns committed to installation in the next few months. These cities and towns range in size from 11,000 to 400 parcels. Each town has a specific plan to use the system to

lower the overall costs of meeting triennial certification requirements and to improve the quality of property tax administration.

Communities can participate in the CAMA program by working with DOR staff to develop an implementation plan. The community determines its own goals and methods. The DOR provides advice on whether the community's expectations are realistic and whether the resources committed are sufficient to meet the proposed schedule.

Once accepted into the CAMA program, the community receives the CAMA software at no charge. This software includes modules for valuation of all types of property by various methods, in addition to modules for generating all required forms, producing bills and collecting payments on real and personal property. Of even greater potential value to communities is the training and support that the Division of Local Services provides, at no charge, to make in-house revaluation and tax administration feasible for a community ready to make the commitment of time and effort. Each participating community is assigned a CAMA Advisor who directs on-going training and support tailored to each community's needs.

While the DOR provides both extensive on-site and phone support, participating communities have formed organizations to assist each other, sharing techniques and insights as well as proposing system enhancements. These regional CAMA Groups will play an increasingly important role in the statewide support network that is now developing. Three groups have organized, one consisting of towns in western counties, one for central Massachusetts towns, and one for communities east of Worcester County.

If you feel that the DOR CAMA program can help you to better manage property assessment for your community and would like more information, please call or write:

Division of Local Services
CAMA UNIT - Bureau of Local Assessment
200 Portland St.
Boston, MA 02114-1715
(617) 727-2300

MASSACHUSETTS POPULATION
DISTRIBUTION BY AGE
1970 COMPARED TO PROJECTED 1995

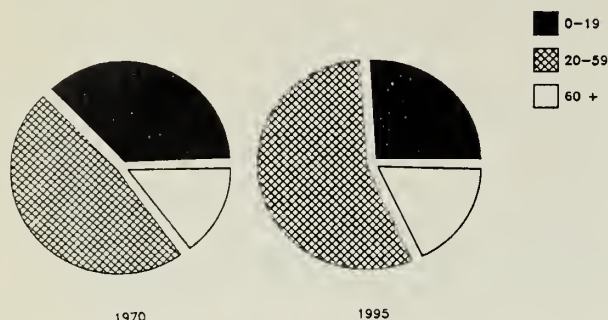


FIGURE 5

Availability of Additional Population Data

The Municipal Data Bank (617-727-2300) contains actual population figures by age, sex and race for 1970 and 1980, and projected figures for the same categories for 1990 and 1995. Biennial estimates of total city and town populations are available for 1973, 1975, 1976, 1977, 1982, 1984 and 1986. The Data Bank encourages officials and other interested parties to call or write to the following address for this information.

Division of Local Services
Municipal Data Bank
200 Portland Street
Boston, MA 02114-1715

Questions about how the projections for 1990 or 1995 were arrived at should be addressed to:

The Massachusetts Institute for Social and
Economic Research
128 Thompson Hall
University of Massachusetts
Amherst, MA 01003

This edition of CITY AND town FOCUS was prepared by Roger Hatch and Debbie DePerri of the Municipal Data Bank and Leslie Kirwan and Julie Slavet of the Analysis Unit. In addition, special thanks are extended to Michael Turner and David Weaver of the Hazardous Waste Facility Site Safety Council, for preparing the map using the MassGIS Project mapping system.

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CITY & Town, a publication of the Massachusetts Department of Revenue's Division of Local Services, is published 11 times per year. The Division is responsible for oversight and assistance to cities and towns in achieving equitable property taxation and efficient fiscal management.

(617) 727-2300

Editor: *Elizabeth Rose Anderson*

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200 Portland St.
Boston, MA 02114-1715



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CITY & Town



A monthly publication of the Massachusetts Department of Revenue's
Division of Local Services

Stephen W. Kidder
Commissioner

GOVERNMENT DOCUMENTS
COLLECTION

Edward J. Collins, Jr.
Deputy Commissioner

BUREAU OF ACCOUNTS IMPROVES UPON SERVICE DELIVERY WITH THE "PERSONAL TOUCH"

University of Massachusetts
Depository Copy

The Division's Bureau of Accounts has announced a new regional staffing plan which will streamline the process of assisting and communicating with local officials. Each city, town and district has been assigned one "service representative" from BOA's professional accounting staff.

In the past, local officials needing help with Schedule A's, budgetary fund balances (formerly "free cash"), tax rates, treasury reports or other financial matters went directly to the Bureau section responsible. Under the new plan, the local official can contact the BOA staff member assigned to his or her community for a broad range of assistance. Not only does this new staffing plan enable cities and towns to receive assistance more quickly and directly, it further enhances services by allowing our accounting staff to become familiar with the particular financial needs of their designated communities. A local official will be able to contact the Bureau and speak to the monetary affairs "specialist" for his community.

The new staffing plan will allow local officials to have a close working relationship with one professional from our office, who will be the local government's resource for help on all financial matters for which the Bureau of Accounts is responsible, according to Mariellen P. Murphy, Director of the Bureau of Accounts.

The Commonwealth's 351 communities, the BOA staff member assigned to each, and the regional office location of each BOA representative are listed on pages 2 and 3 of this issue. Local officials can expect to hear from their representatives shortly. Readers wishing more information on this latest expansion of the services available at the Division are invited to contact Mariellen Murphy at (617) 727-2300.

DLS COURSE CALENDAR

MARCH 2: "Everything You've Ever Wanted to Know About Proposition 2 1/2", 7:00pm - 10:00pm at Ipswich High School

MARCH 14: Course 101 - Assessment Administration: Law, Procedures, Valuation 6:30pm - 9:30pm at Berkshire Community College, Pittsfield (Each Tuesday for ten weeks)

MARCH 2, 9, 16: Course 201 - The Collection of Taxes 9:00am - 4:00pm. Holyoke Community College.

MARCH 1, 8, 15, 22: Course 301 - Course for Treasurers 9:00 am - 4:00 pm at the Town Center in Bedford.

Repair Plate "Vehicle of the Month"

Each month, *City and Town* publishes what the Division of Local Services determines to be the incidence of the most flagrant abuse of repair plates on a luxury automobile which was discovered during the preceding month. Each report relates the excise amount for which such a vehicle would be liable were the car to have been properly taxed over the first five years of its life. Because of the DLS's program, much of the otherwise lost revenue will be recovered on the particular vehicle by the municipality where the vehicle is principally garaged.

The March selection:

1984 Mercedes 380SL

Location: Auto Repair Facility
Methuen, MA

Manufacturer's List Price. . . . \$42,250.00
Five Year Excise Liability. . . . \$2,376.56

COMMUNITY	BOA REPRESENTATIVE	OFFICE	COMMUNITY	BOA REPRESENTATIVE	OFFICE	COMMUNITY	BOA REPRESENTATIVE	OFFICE
LYNNFIELD	PHILIP STOCKFORD	B	PALMER	KATHLEEN REED	W	SUTTON	KATHLEEN REED	W
MALDEN	DENISE FITZPATRICK	B	PAYTON	DAN BAZIN	W	SWAMPSCOTT	PHILIP STOCKFORD	B
MANCHESTER	PHILIP STOCKFORD	B	PEABODY	DENISE FITZPATRICK	B	SWANSEA	DIANE DZIURA	B
MANSFIELD	PAUL WATSON	B	PELHAM	CHRISTINE FLORIO	W	TAUNTON	DIANE DZIURA	B
MARBLEHEAD	PHILIP STOCKFORD	B	PENBROKE	DIANE DZIURA	B	TEMPLETON	DAN BAZIN	W
MARION	DIANE DZIURA	B	PEPPERELL	JOSEPH TASSONE	S	TEWKSBURY	JOSEPH TASSONE	B
MARLBOROUGH	DENISE FITZPATRICK	B	PERU	JOSEPH MESSANA	S	TISBURY	DIANE DZIURA	B
MARSHFIELD	BARBARA DAKIN	B	PETERSHAM	DAN BAZIN	W	TOLLAND	DENNIS MOUNTAIN	W
MASHPEE	BARBARA DAKIN	B	PHILLIPSTON	DAN BAZIN	W	TOPSFIELD	PHILIP STOCKFORD	B
MATAPoisett	DIANE DZIURA	B	PITTSFIELD	JOSEPH MESSANA	S	TOWNSEND	JOSEPH TASSONE	B
MAYNARD	JOSEPH TASSONE	B	PLAINFIELD	JOSEPH MESSANA	S	TRURO	BARBARA DAKIN	B
MEDFIELD	PAUL WATSON	B	PLAINVILLE	PAUL WATSON	B	TYNGSBOROUGH	JOSEPH TASSONE	B
MEDFORD	JOSEPH TASSONE	B	PLYMOUTH	BARBARA DAKIN	B	TYRINGHAM	DENNIS MOUNTAIN	S
MELROSE	PAUL WATSON	B	PLYMOUTH	DIANE DZIURA	B	UPPERIDGE	KATHLEEN REED	W
MENDON	DENISE FITZPATRICK	B	PRINCETON	DAN BAZIN	W	WAKEFIELD	PHILIP STOCKFORD	B
MERRIMAC	BARBARA DAKIN	B	PROVINCETOWN	BARBARA DAKIN	B	WALES	KATHLEEN REED	W
METHUEN	PHILIP STOCKFORD	B	QUINCY	DENISE FITZPATRICK	B	WALPOLE	PAUL WATSON	B
MIDDLEBOROUGH	DIANE DZIURA	B	RANDOLPH	PAUL WATSON	B	WALTHAM	JOSEPH TASSONE	B
MIDDLEFIELD	JOSEPH MESSANA	S	RAYNHAM	DIANE DZIURA	B	WARE	KATHLEEN REED	W
MILFORD	PHILIP STOCKFORD	B	READING	PHILIP STOCKFORD	B	WAREHAM	BARBARA DAKIN	B
MILBURY	BARBARA DAKIN	B	REHOBOTH	DIANE DZIURA	B	WARREN	KATHLEEN REED	W
MILLS	KATHLEEN REED	W	REVERE	TONY RASSIAS	B	WARWICK	DAN BAZIN	W
MILVILLE	PAUL WATSON	B	RICHMOND	DENNIS MOUNTAIN	S	WASHINGTON	JOSEPH MESSANA	S
MILTON	BARBARA DAKIN	B	ROCHESTER	DIANE DZIURA	B	WATERTOWN	PAUL WATSON	B
MINOROE	DENISE FITZPATRICK	B	ROCKLAND	PAUL WATSON	B	WEBSTER	JOSEPH TASSONE	B
MONROE	JOSEPH MESSANA	S	ROCKPORT	PHILIP STOCKFORD	B	WELLESLEY	KATHLEEN REED	W
MONSIEUR	JOSEPH MESSANA	S	ROME	JOSEPH MESSANA	S	WENDELL	PAUL WATSON	B
MONTAGUE	KATHLEEN REED	W	ROWLEY	PHILIP STOCKFORD	B	WENHAM	CHRISTINE FLORIO	W
MONTGOMERY	CHRISTINE FLORIO	W	ROYALSTON	DAN BAZIN	W	WEST BOYLSTON	DENISE FITZPATRICK	B
MONTGOMERY	DENNIS MOUNTAIN	S	RUSSELL	DENNIS MOUNTAIN	S	WEST BRIDGEWATER	KATHLEEN REED	W
MT. WASHINGTON	DENNIS MOUNTAIN	S	SALEM	DAN BAZIN	W	WEST BROOKFIELD	DIANE DZIURA	B
NAHANT	PHILIP STOCKFORD	B	SALISBURY	PHILIP STOCKFORD	B	WEST MEMBURY	PHILIP STOCKFORD	B
NANTUCKET	BARBARA DAKIN	B	SANDSFIELD	DENNIS MOUNTAIN	S	WEST SPRINGFIELD	DENNIS MOUNTAIN	W
NATICK	DENISE FITZPATRICK	B	SANDWICH	BARBARA DAKIN	B	WEST STOKBRIDGE	DENNIS MOUNTAIN	B
NEEDHAM	JOSEPH MESSANA	S	SAVOY	DENISE FITZPATRICK	S	WEST TISBURY	DIANE DZIURA	B
NEW ASHFORD	BARBARA DAKIN	B	SCITUATE	JOSEPH MESSANA	S	WESTBOROUGH	DENISE FITZPATRICK	B
NEW BEDFORD	BARBARA DAKIN	B	SEABOARD	JOSEPH MESSANA	S	WESTFIELD	DENNIS MOUNTAIN	W
NEW BRALNTHREE	DENNIS MOUNTAIN	S	SEABOARD	JOSEPH MESSANA	S	WESTHAMPTON	JOSEPH TASSONE	S
NEW BRALNTHREE	DENNIS MOUNTAIN	S	SEABOARD	JOSEPH MESSANA	S	WESTMINSTER	DAN BAZIN	W
NEW SALEM	CHRISTINE FLORIO	W	SEABOARD	JOSEPH MESSANA	S	WESTON	JOSEPH TASSONE	B
NEWBURY	PHILIP STOCKFORD	B	SEABOARD	JOSEPH MESSANA	S	WESTPORT	DIANE DZIURA	B
NEWBURYPORT	DENISE FITZPATRICK	B	SEABOARD	JOSEPH MESSANA	S	WESTWOOD	PAUL WATSON	B
NEWTON	PAUL WATSON	B	SEABOARD	JOSEPH MESSANA	S	WEYMOUTH	DENISE FITZPATRICK	B
NORFOLK	JOSEPH MESSANA	S	SEABOARD	JOSEPH MESSANA	S	WHATELY	CHRISTINE FLORIO	W
NORTH ADAMS	PHILIP STOCKFORD	B	SEABOARD	JOSEPH MESSANA	S	WHITMAN	PAUL WATSON	B
N. ATTLEBOROUGH	PAUL WATSON	B	SEABOARD	JOSEPH MESSANA	S	WILBRAHAM	CHRISTINE FLORIO	W
NORTH BROOKFIELD	KATHLEEN REED	W	SEABOARD	JOSEPH MESSANA	S	WILLIAMSBURG	CHRISTINE FLORIO	W
NORTH READING	PHILIP STOCKFORD	B	SEABOARD	JOSEPH MESSANA	S	WILLIAMSTOWN	JOSEPH MESSANA	S
NORTHAMPTON	CHRISTINE FLORIO	W	SEABOARD	JOSEPH MESSANA	S	WILMINGTON	JOSEPH TASSONE	B
NORTHBOROUGH	DENISE FITZPATRICK	B	SEABOARD	JOSEPH MESSANA	S	WINDCHENDON	DAN BAZIN	W
NORTHBOROUGH	DENISE FITZPATRICK	B	SEABOARD	JOSEPH MESSANA	S	WINDSOR	JOSEPH TASSONE	S
NORTHBRIDGE	KATHLEEN REED	W	SEABOARD	JOSEPH MESSANA	S	WINTHROP	DENISE FITZPATRICK	B
NORTHFIELD	DAN BAZIN	W	SEABOARD	JOSEPH MESSANA	S	WOBURN	PHILIP STOCKFORD	B
NORTON	PAUL WATSON	B	SEABOARD	JOSEPH MESSANA	S	WORCESTER	DAN BAZIN	W
NORWELL	BARBARA DAKIN	B	SEABOARD	JOSEPH MESSANA	S	WORTHINGTON	JOSEPH MESSANA	S
NORWOOD	PAUL WATSON	B	SEABOARD	JOSEPH MESSANA	S	WRENTHAM	BARBARA DAKIN	B
OAK BLUFFS	DIANE DZIURA	B	SEABOARD	JOSEPH MESSANA	S	YARMOUTH	BARBARA DAKIN	B
OAKHAM	DAN BAZIN	W	SEABOARD	JOSEPH MESSANA	S			
ORANGE	DAN BAZIN	W	SEABOARD	JOSEPH MESSANA	S			
ORLEANS	BARBARA DAKIN	B	SEABOARD	JOSEPH MESSANA	S			
OTIS	DENNIS MOUNTAIN	W	SEABOARD	JOSEPH MESSANA	S			
OXFORD	KATHLEEN REED	W	SEABOARD	JOSEPH MESSANA	S			

Focus on *Municipal Finance*

A regular supplement to CITY & Town

EQUALIZED TAX RATES

This issue of CITY & Town FOCUS covers the topic of Equalized Tax Rates.

Equalized Tax Rates are used to compare property taxation before and after the implementation of Proposition 2 1/2. Equalized Tax Rates allow us to "control" for the change experienced by communities as they adopted 100% valuation, providing a clearer picture of the effects of Proposition 2 1/2 and property appreciation on local taxation.

Equalized Tax Rates are calculated by dividing a community's actual property tax levy for a particular year by that community's Equalized Valuation and multiplying by 1000:

$$\text{Equalized Tax Rate} = \text{Actual Levy} / \text{EQV} \times 1000$$

This calculation results in the tax per \$1000 of value.

Because we use Equalized Valuations and not actual total valuation, our calculation produces a tax rate that is not the same as the community's actual tax rate in a particular year. In addition, Equalized Tax Rates do not distinguish between types of property being taxed at different rates (ie for those communities that have adopted different rates for residential as opposed to commercial, industrial, and personal property) but reflect instead the combination of these rates.

FINDINGS

Between 1981 and 1988, the statewide Equalized Tax Rate decreased from **\$29.31** to **\$16.69**, a drop of **\$12.62** or **43%**. The largest decrease for a community was **\$79.15**; the smallest decrease for a community was **\$.05**. Nine communities in the state experienced small increases in their Equalized Tax Rates between FY81 and FY88, ranging from **\$.45** to **\$2.01**. For those communities which have set an FY89 tax rate*, the statewide Equalized Tax Rate for FY89 is **\$10.63**, a **\$6.06** reduction from FY88 and an **\$18.68** reduction from FY81.

Using the Department of Education Kind of Community Classification, we find that although all seven community groupings experienced decreases in Equalized Tax Rates between 1981 and 1988, the average rates of Urbanized Centers and Economically Developed Suburbs show the largest decreases,

of **\$24.99** and **\$16.06** respectively. Changes in Average Equalized Tax Rates by Kind of Community are as follows:

	1981	1988	\$ Change
Urbanized Centers	\$43.90	\$18.91	\$24.99
Economically Developed Suburbs	\$33.36	\$17.30	\$16.06
Rural Economic Centers	\$30.15	\$17.63	\$12.52
Residential Suburbs	\$28.18	\$16.83	\$11.35
Growth Communities	\$27.28	\$16.87	\$10.41
Small Rural Communities	\$23.40	\$16.56	\$ 6.84
Resort/Retirement/Artistic Communities	\$16.57	\$11.70	\$ 4.87

Changes in the Equalized Tax Rate reflect two factors: changes in communities' Equalized Valuation and levy. Equalized Valuations have increased dramatically over the past ten years as property values in Massachusetts have appreciated. For example, the 1986 statewide EQV was **150%** greater than the 1980 statewide EQV. This EQV increase results in significant growth in the denominator in the Equalized Tax Rate calculation and is thus an important factor in the considerable decrease in Equalized Tax Rates.

Although the statewide levy also grew between FY81 and FY88, its growth was certainly not as dramatic as the increase in EQVs. The FY88 statewide levy was **13.5%** greater than the FY81 statewide levy. The levy — which comprises the numerator in the Tax Rate calculation — has thus been rising at a much lower rate than the EQV — the denominator.

Most of the change in Equalized Tax Rates from 1981 to 1988 is due to rapidly escalating property values combined with the impact of Proposition 2 1/2. Since Proposition 2 1/2 effectively limits the annual increase in the levies of communities, as property values and EQVs rise, Equalized Tax Rates as well as the actual tax rates of communities fall. The dramatic change from pre-Proposition 2 1/2 Equalized Tax Rates to the post-Proposition 2 1/2 Equalized Tax Rates of 1988 reflects the impact of Proposition 2 1/2 on the size of the levies assessed by communities.

The dramatic change in 1989 Equalized Tax Rates (of those communities that have set their FY89 tax rates) demonstrates the impact of property appreciation reflected in the 1988 Equalized Valuations. The 1988 statewide EQV was 69% higher than the 1986 statewide EQV.

The Equalized Tax Rate for 1981 was calculated using the FY81 levy and the 1980 Equalized Valuation. The rate for 1988 was calculated using the FY88 levy and the 1986 Equalized Valuation. The rate for FY89 was calculated using the FY89 levy and the 1988 Equalized Valuation.

The following report lists by community: Equalized Tax Rate 1981, Equalized Tax Rate 1988, the rank in 1988 Equalized Rate from high to low, the dollar change in the Equalized Tax Rate from 1981 to 1988, and (if available) the Equalized Tax Rate for 1989.

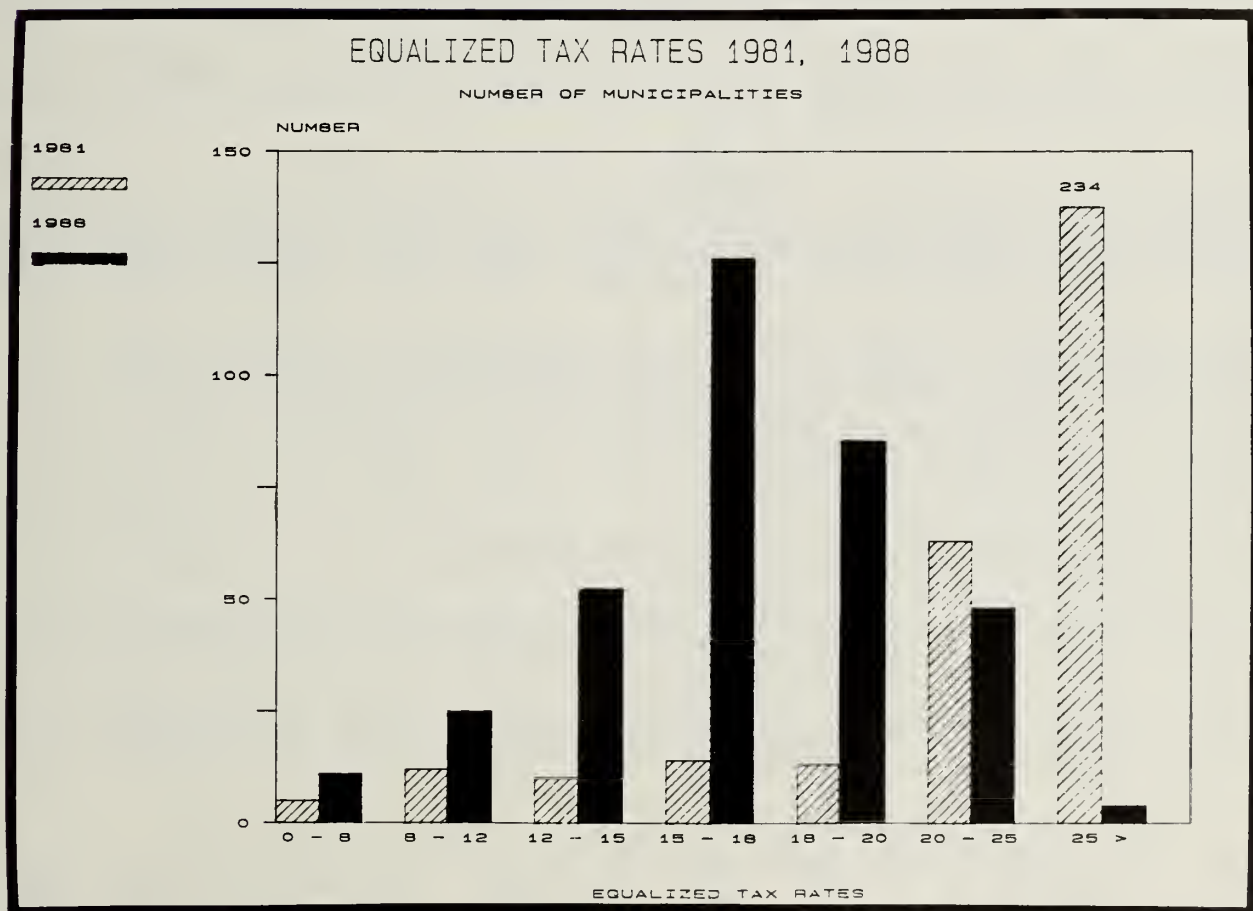
The following chart shows: (1) Equalized Tax Rates, 1981 and 1988 by the number of municipalities in each of the following categories: \$0-\$8, \$8-\$12, \$12-\$15, \$15-\$18, \$18-\$20, \$20-\$25, and over \$25.

NOTES

*249 communities have set their FY89 tax rates.

Because we calculate Equalized Tax Rates using FY88 levies and 1986 EQVs, four communities have 1988 Equalized Tax Rates of higher than \$25 per thousand. However, calculation of the actual tax rates of these communities using their total valuation for FY88 shows that all had tax rates lower than \$25 per thousand (and thus within the limitations set by Proposition 2 1/2). Use of 1986 EQVs does not reflect the significant property appreciation experienced by these communities for the years between the 1986 EQV (January 1, 1985) and the 1988 EQV (January 1, 1987).

This report was developed by Roger Hatch and John Sanguinet of the Municipal Data Bank and Leslie Kirwan and Julie Slavet of the Analysis Unit.



EQUALIZED TAX RATES; HI - LO FROM 81 - 88

MUNICIPALITY	EQV Tax Rate 81	EQV Tax Rate 88	EQV Tax Rate 89	81 - 88 \$ CHG	Hi - Lo Rank	EQV Tax Rate 81	EQV Tax Rate 88	EQV Tax Rate 89	81 - 88 \$ CHG	Hi - Lo Rank	EQV Tax Rate 81	EQV Tax Rate 88	EQV Tax Rate 89	81 - 88 \$ CHG	Hi - Lo Rank
ABINGTON	35.99	21.02	12.15	-14.97	30	38.38	18.53	13.56	-19.85	115	12.99	15.00	15.00	2.01	263
ACTION	27.43	19.42	12.31	-8.01	74	3.39	2.80	2.37	-0.59	350	34.91	15.90	15.90	-19.01	234
ACUSHNET	26.12	19.50	12.76	-6.62	69	29.66	14.08	14.87	-15.58	280	42.31	18.52	18.52	-23.79	116
ADAMS	27.38	19.51	13.18	-7.87	68	40.73	17.56	12.76	-23.17	158	32.15	17.73	17.73	-14.42	141
AGAWAM	31.72	18.93	12.76	-12.79	96	30.41	16.12	11.47	-14.29	222	25.49	11.32	11.32	-14.17	324
ALFORD	16.83	9.23	6.16	-7.60	332	23.36	17.40	15.96	-5.96	165	18.22	11.53	11.53	-6.69	321
AMESBURY	39.53	21.96	11.37	-17.57	14	32.24	15.98	10.41	-16.26	227	23.77	17.77	17.77	-5.81	140
AMHERST	28.72	18.56	13.14	-10.16	112	25.45	20.17	12.49	-5.28	48	40.94	18.28	18.28	-22.66	125
ANDOVER	30.09	15.73	10.80	-14.36	242	24.16	17.51	13.48	-6.65	163	20.35	15.97	15.97	-4.38	228
ARLINGTON	40.28	17.74	10.80	-22.54	150	33.40	18.18	15.22	-15.22	129	22.16	14.56	14.56	-7.60	268
ASHBURNHAM	32.21	19.02	12.21	-13.19	87	31.63	16.89	10.45	-14.74	189	33.44	17.07	17.07	-16.37	182
ASHBY	34.42	19.19	12.21	-15.23	80	23.90	15.20	10.56	-8.70	256	24.71	13.86	13.86	-10.85	285
ASHFIELD	21.06	16.21	13.33	-4.85	215	31.26	17.20	8.05	-14.06	173	44.41	23.03	23.03	-21.38	9
ASHLAND	34.51	20.14	13.33	-14.37	50	17.31	12.47	8.05	-4.84	309	26.82	18.67	18.67	-8.15	108
ATHOL	27.47	8.74	7.84	-18.73	336	11.18	6.59	3.93	-4.59	347	24.08	15.90	15.90	-8.18	235
ATTLEBORO	37.74	19.31	11.39	-18.43	77	27.58	18.98	11.02	-8.60	93	34.62	17.93	17.93	-16.69	142
AUBURN	29.72	18.26	10.92	-11.46	127	32.27	19.10	10.56	-13.17	85	41.34	17.11	17.11	-24.23	180
AVON	29.95	20.00	12.89	-9.95	52	19.59	12.58	12.01	-7.01	307	35.25	27.75	27.75	-7.50	2
AYER	23.29	15.11	10.65	-8.18	260	32.25	17.82	12.01	-14.43	144	25.64	15.93	15.93	-9.71	233
BARNSTABLE	17.14	12.14	10.99	-5.00	315	15.62	11.78	7.65	-3.84	317	28.39	19.99	19.99	-8.40	53
BARRE	22.32	16.21	10.99	-6.11	217	20.69	11.44	7.65	-9.25	322	41.55	21.85	21.85	-19.70	15
BECKET	20.27	12.68	12.29	-7.59	305	36.29	20.50	10.13	-15.79	39	59.70	19.99	19.99	-39.71	54
BEDFORD	29.57	16.90	12.29	-12.67	188	42.15	21.38	8.66	-20.77	21	27.57	23.10	23.10	-4.47	8
BELCHERTOWN	22.75	19.27	10.65	-3.48	78	28.48	16.47	12.49	-12.01	208	29.25	14.35	14.35	-14.90	275
BELLINGHAM	30.92	18.59	10.65	-12.33	110	29.38	18.97	12.49	-10.41	94	31.57	19.03	19.03	-12.54	86
BELMONT	32.20	16.20	10.57	-16.00	218	13.53	9.05	5.97	-4.48	335	24.99	16.66	16.66	-8.33	202
BERKLEY	22.68	17.59	10.57	-5.09	157	30.63	16.88	13.75	-13.75	190	27.53	15.84	15.84	-11.69	239
BERLIN	33.78	16.95	13.30	-16.83	186	35.68	18.13	17.55	-17.55	131	35.36	19.85	19.85	-15.51	58
BERNARDSTON	25.78	18.89	11.73	-6.89	98	9.21	6.93	5.68	-2.28	345	42.33	18.38	18.38	-23.95	124
BEVERLY	37.46	17.94	11.73	-19.52	141	17.43	10.53	7.26	-6.90	329	35.25	16.72	16.72	-18.53	195
BILLERICA	39.27	18.69	12.77	-20.58	105	17.85	13.02	12.11	-4.83	299	23.71	16.21	16.21	-7.50	216
BLACKSTONE	35.53	18.76	10.47	-16.77	104	22.68	12.73	6.56	-9.95	304	32.51	14.87	14.87	-17.64	265
BLANDFORD	21.84	15.66	10.63	-6.18	245	33.90	19.12	12.71	-14.78	84	34.69	16.60	16.60	-18.09	205
BOLTON	22.43	13.64	9.73	-8.79	289	32.96	17.97	11.80	-14.99	139	26.10	16.68	16.68	-9.42	199
BOSTON	99.00	19.85	12.62	-79.15	59	50.78	19.89	11.80	-30.89	56	27.78	15.97	15.97	-11.81	230
BOURNE	22.20	11.64	7.05	-10.56	318	19.89	13.47	9.23	-6.42	292	21.96	20.61	20.61	-1.35	36
BOXBOROUGH	23.20	13.33	8.35	-9.87	295	50.09	20.26	29.83	-29.83	46	18.24	12.79	12.79	-5.45	303
BOXFORD	22.01	13.93	8.14	-8.08	283	16.20	16.14	11.53	-0.06	220	27.66	17.44	17.44	-10.22	164
BOYLSTON	28.97	15.88	12.09	-13.09	237	32.45	22.79	13.21	-9.66	11	29.69	19.44	19.44	-10.25	73
BRAintree	33.69	16.75	12.09	-16.94	194	35.34	16.19	11.70	-19.15	219	40.05	17.08	17.08	-22.97	181
BREWSTER	14.82	14.08	9.28	-0.74	281	42.53	17.67	10.87	-24.86	155	29.63	18.55	18.55	-11.08	114
BRIDGEWATER	34.95	18.99	10.89	-15.96	92	33.04	17.72	11.69	-15.32	153	35.79	18.84	18.84	-16.95	100
BRIMFIELD	25.69	21.43	15.94	-4.26	18	33.24	20.37	11.53	-12.87	42	71.76	18.96	18.96	-52.80	95
BROCKTON	56.91	20.15	13.40	-36.76	49	16.44	10.57	5.87	-5.87	328	24.83	14.34	14.34	-10.49	276
BROOKFIELD	38.59	19.19	10.81	-19.40	81	26.40	15.31	11.09	-11.09	235	52.91	20.64	20.64	-32.27	35
BROOKLINE	47.33	18.56	12.77	-28.77	111	26.60	12.95	8.87	-13.65	300	24.29	14.58	14.58	-9.71	267
BUCKLAND	33.50	19.76	12.43	-13.74	60	31.41	17.80	10.02	-13.61	147	29.94	17.15	17.15	-12.79	177
BURLINGTON	34.45	15.97	10.89	-18.48	229	20.94	16.72	11.54	-3.09	117	24.37	13.29	13.29	-4.64	297
CAMBRIDGE	61.94	20.75	13.14	-41.19	31	11.98	1.80	12.83	-10.18	196	26.81	15.96	15.96	-10.85	231
CANTON	33.35	16.61	10.81	-16.74	204	28.95	15.21	10.19	-13.74	255	35.28	19.41	19.41	-15.87	75
CARLISLE	27.05	17.81	9.24	-9.24	145	30.63	19.56	11.54	-11.07	64	35.49	16.87	16.87	-18.62	191
CARVER	31.83	28.19	14.75	-3.64	1	21.56	18.47	9.71	-3.09	17	17.93	13.29	13.29	-4.64	297
CHARLEMONT	22.21	20.73	14.75	-1.48	32	31.98	21.24	7.73	-10.74	26	26.81	15.96	15.96	-10.85	231
CHATHAM	20.10	13.64	8.10	-6.46	290	42.25	19.22	12.83	-23.03	79	40.60	18.90	18.90	-21.70	97
CHATHAM	11.42	8.04	4.72	-3.38	340	21.83	16.27	9.54	-5.56	214	34.72	15.94	15.94	-18.78	232
CHELMSFORD	31.38	16.02	15.36	-15.36	225	28.76	18.46	9.71	-10.30	121	40.46	17.82	17.82	-22.64	143
CHELSEA	91.88	22.58	12.18	-69.30	12	14.71	12.18	7.73	-2.53	313	38.17	18.43	18.43	-19.74	122
CHESTER	18.41	12.18	13.14	-6.23	314	33.31	18.16	10.18	-15.15	130	40.72	13.52	13.52	-24.83	236
CHESTER	21.82	16.79	10.18	-5.03	192	26.67	17.55	10.18	-9.12	159	24.41	15.52	15.52	-10.89	291
CHESTERFIELD	25.81	17.27	8.54	-8.54	172	30.40	19.67	12.76	-10.73	61	35.04	16.93	16.93	-18.11	187

EQUALIZED TAX RATES; HI - LO FROM 81 - 88

METHUEN	31.30	18.11	134	-13.19	11.52	25.89	26.47	0.58	12.85	26.48	16.30	213	-10.18
MIDDLEBOROUGH	31.56	19.15	83	-12.41	10.35	28.34	15.46	-12.88	9.46	10.94	11.42	323	0.48
MIDDLEFIELD	16.51	15.38	251	-1.13	13.20	58.30	18.99	-39.31	12.22	31.75	17.78	148	-13.97
MILFORD	29.61	17.73	152	-1.88	9.33	41.05	17.52	-23.53	11.42	31.15	18.47	118	-12.68
MILFORD	35.63	18.06	136	-17.57	11.79	31.86	17.01	-14.85	9.93	37.61	18.11	133	-19.50
MILLBURY	38.40	18.00	137	-20.40	10.91	33.00	16.99	-16.01	11.07	34.13	25.52	4	-8.61
MILLIS	31.49	17.17	175	-14.32	12.21	25.56	20.36	-5.20	11.94	32.73	17.15	178	-15.58
MILLVILLE	33.75	21.38	20	-12.37	12.21	59.03	18.77	-40.26	11.94	33.63	17.97	138	-15.66
MILTON	37.00	16.75	193	-20.25	11.46	21.17	14.16	-7.01	10.17	31.59	20.32	44	-11.07
MONROE	24.45	19.46	71	-4.99	19.79	24.30	19.87	-4.43	10.17	30.62	17.28	171	-13.34
MONSON	31.25	18.42	123	-12.83	12.68	42.25	19.17	-23.08	11.07	33.68	18.47	119	-15.21
MONTAGE	30.35	20.38	41	-10.17	7.58	19.75	12.41	-7.34	7.36	22.20	15.62	247	-6.58
MONTGOMERY	13.86	12.25	311	-1.61	7.58	7.80	7.62	-0.18	7.36	22.07	12.61	306	-9.46
MT. WASHINGTON	23.91	23.41	6	-0.50	3.73	28.54	13.27	-15.27	8.52	40.16	16.71	197	-23.45
NAHANT	8.42	5.85	348	-2.57	3.73	17.09	13.39	-3.70	8.52	30.03	16.62	203	-13.41
NANTUCKET	27.31	13.30	296	-14.01	7.57	23.99	21.59	-2.40	9.82	30.54	13.78	287	-16.76
NATICK	9.18	6.87	346	-2.31	5.31	28.43	18.19	-10.24	10.45	26.99	13.76	288	-13.23
NEDHAM	22.6	15.99	332	-18.99	9.36	41.44	18.46	-22.98	12.60	11.31	7.74	341	-3.57
NEEDHAM	28.04	14.21	278	-13.83	9.36	24.04	14.49	-9.55	6.61	20.03	21.22	27	-1.19
NEW ASHFORD	5.45	7.13	344	-1.68	8.75	18.00	11.56	-6.44	6.61	25.09	13.88	284	-11.21
NEW BEDFORD	46.89	23.95	5	-22.94	9.83	17.31	14.88	-2.43	9.82	31.45	17.33	168	-14.12
NEW BRAintree	30.15	17.32	149	-12.83	9.83	34.57	15.78	-18.79	10.72	35.63	19.94	55	-15.69
NEW MARLBOROUGH	9.58	9.22	335	-0.36	9.83	14.08	15.13	0.45	10.32	28.54	17.20	174	-11.54
NEW SALEM	20.11	12.90	302	-7.21	11.41	37.03	19.02	-18.01	10.32	31.08	20.54	37	-10.54
NEUBURY	23.85	13.84	286	-10.01	11.41	26.45	20.70	-5.75	12.91	31.62	20.07	51	-11.55
NEUBURYPORT	39.59	16.37	212	-23.22	11.10	37.30	19.61	-17.69	9.68	19.33	20.39	40	1.06
NEWTON	37.15	16.71	198	-20.44	11.12	18.37	14.37	-4.00	9.68	6.39	8.10	339	-1.71
NORFOLK	30.35	19.00	90	-11.35	11.12	32.29	16.46	-15.83	9.91	28.41	14.41	272	-14.00
NORTH ADAMS	32.82	23.15	7	-9.67	8.55	26.86	15.68	-11.18	10.10	35.16	21.36	22	-13.80
NORTH ANDOVER	24.76	14.46	271	-10.30	8.55	32.96	14.03	-18.93	8.83	33.59	15.31	252	-18.28
N. ATTLEBOROUGH	33.00	17.80	146	-15.20	10.89	25.41	15.63	-9.76	9.76	22.62	18.10	135	-4.52
N. BROOKFIELD	29.22	17.15	179	-12.07	11.80	22.13	18.27	-3.86	9.76	19.34	15.17	257	-4.17
NORTH READING	30.50	16.04	223	-14.46	10.78	24.42	21.27	-3.15	9.76	22.93	14.37	274	-8.56
NORTHAMPTON	33.74	17.17	176	-16.57	10.78	60.82	15.86	-44.96	10.10	22.20	14.33	277	-7.87
NORTHBOROUGH	32.93	20.24	47	-12.69	12.18	31.31	16.54	-14.77	8.83	31.61	16.49	207	-15.12
NORBRIDGE	26.94	18.65	109	-8.29	10.01	23.12	16.14	-6.98	10.56	40.88	18.67	106	-22.21
NORTHFIELD	24.47	19.61	62	-4.86	12.77	27.26	15.25	-12.01	10.11	21.04	15.11	261	-5.93
NORWELL	41.09	23.02	10	-18.07	11.43	26.06	19.52	-6.54	11.37	41.70	21.68	16	-20.02
NORWOOD	37.17	18.11	132	-19.06	11.61	28.09	21.35	-6.74	12.90	31.38	19.45	72	-11.93
OAK BLUFFS	29.37	15.71	243	-13.66	9.93	22.06	12.20	-9.86	7.05	30.28	18.83	102	-11.45
OAKHAM	19.20	9.52	331	-9.68	6.97	47.77	21.06	-26.71	10.56	28.45	19.02	89	-9.43
ORANGE	24.02	16.99	185	-7.03	9.17	28.68	17.77	-10.91	8.56	33.67	18.84	101	-14.83
ORLEANS	36.69	20.54	38	-16.15	11.64	36.98	15.79	-9.73	8.56	23.30	21.31	24	-11.99
OTTIS	12.16	8.58	338	-3.58	11.64	36.98	15.79	-21.19	11.52	32.70	17.40	166	-15.30
OTTIS	11.98	8.61	337	-3.37	6.16	34.35	19.46	-15.09	11.50	10.53	11.53	320	1.00
OXFORD	35.98	18.86	99	-17.12	10.61	25.44	15.57	-9.47	10.54	37.30	11.83	316	-25.47
PALMER	29.02	19.37	76	-9.65	9.87	32.16	16.67	-9.89	11.35	32.55	14.53	269	-18.02
PAYTON	22.87	17.52	160	-5.35	9.87	32.54	19.53	-13.01	7.95	59.12	20.26	45	-38.86
PEABODY	39.41	16.39	211	-23.02	9.83	14.13	10.83	-5.12	10.12	19.07	15.09	262	-3.98
PELHAM	29.47	20.68	34	-8.79	13.30	21.80	16.68	-3.30	10.12	29.78	17.34	167	-12.44
PEMBROKE	33.75	17.32	170	-16.43	10.18	34.60	15.12	-19.48	9.79	14.12	9.16	334	-4.96
PEPPERELL	28.57	17.69	154	-10.88	9.88	27.18	18.55	-8.63	11.79	32.55	14.53	269	-18.02
PERU	23.19	21.42	19	-1.77	15.39	34.98	12.03	-3.95	11.79	59.12	20.26	45	-38.86
PETERSHAM	29.68	16.40	210	-13.28	7.11	15.50	12.48	-3.02	10.84	19.07	15.09	262	-3.98
PHILLIPSTON	13.10	9.57	330	-3.53	7.11	34.49	19.51	-14.98	10.84	29.78	17.34	167	-12.44
PITTSFIELD	46.51	17.65	156	-28.86	12.44	16.91	13.42	-3.49	9.35	14.12	9.16	334	-4.96
PLAINFIELD	34.01	22.46	13	-11.55	9.46	5.32	5.27	-0.05	9.71	32.55	14.53	269	-18.02
PLAINVILLE	27.66	16.03	224	-11.63	9.46	22.99	15.41	-7.58	10.02	19.07	15.09	262	-3.98
PLYMOUTH	21.19	17.52	162	-3.67	12.20	31.60	14.80	-16.80	10.02	29.78	17.34	167	-12.44
PRINCETON	25.89	26.47	3	0.58	12.85	26.48	16.30	-10.18	8.67	10.94	11.42	323	0.48
PROVINCETOWN	28.34	15.46	249	-12.88	9.46	10.94	11.42	-13.97	7.89	31.75	17.78	148	-13.97
QUINCY	58.30	18.99	91	-39.31	12.22	31.15	18.47	-12.68	11.79	37.61	18.11	133	-19.50
RANDOLPH	41.05	17.52	161	-23.53	9.93	37.61	18.11	-19.50	11.79	37.61	18.11	133	-19.50
RAYNHAM	31.86	17.01	183	-14.85	9.93	37.61	18.11	-19.50	11.79	37.61	18.11	133	-19.50
READING	33.00	16.99	184	-16.01	11.07	33.68	18.47	-15.21	11.90	33.68	18.47	119	-15.21
REHOBOTH	25.56	20.36	43	-5.20	11.94	32.73	17.15	-15.58	10.83	32.73	17.15	178	-15.58
REVERE	59.03	18.77	103	-40.26	11.94	33.63	17.97	-15.66	12.61	33.63	17.97	138	-15.66
RICHMOND	21.17	14.16	279	-7.01	10.17	31.59	20.32	-13.34	8.97	30.62	17.28	171	-13.34
ROCHESTER	24.30	19.87	57	-4.43	10.17	30.62	17.28	-13.34	8.97	30.62	17.28	171	-13.34
ROCKLAND	42.25	19.17	82	-23.08	11.07	33.68	18.47	-15.21	11.90	33.68	18.47	119	-15.21
ROCKPORT	19.75	12.41	310	-7.34	7.36	22.20	15.62	-6.58	10.84	22.20	15.62	247	-6.58
ROME	7.80	7.62	298	-0.18	7.36	40.16	16.71	-23.45	11.98	30.03	16.62	203	-13.41
ROWLEY	28.54	13.27	298	-15.27	8.52	30.03	16.62	-13.41	11.98	30.03	16.62	203	-13.41
ROYALSTON	17.09	13.39	294	-3.70	8.52	30.03	16.62	-13.41	11.98	30.03	16.62	203	-13.41
RUSSELL	23.99	21.59	17	-2.40	9.82	31.45	17.33	-14.12	10.11	30.54	13.78	287	-16.76
RUTLAND	28.43	18.19	128	-10.24	10.45	26.99	13.76	-13.23	8.88	26.99	13.76	288	-13.23
SALEM	41.44	18.46	120	-22.98	12.60	11.31	7.74	-3.57	19.25	11.31	7.74	341	-3.57
SALISBURY	24.04	14.49	270	-9.55	6.61	20.03	21.22	-1.19	10.98	20.03	21.22	27	-1.19
SANDISFIELD	18.00	11.56	319	-6.44	6.61	25.09	13.88	-11.21	10.98	25.09	13.88	284	-11.21
SANDWICH	17.31	14.88	264	-2.43	9.82	31.45	17.33	-14.12	10.11	30.54	13.78	287	-16.76
SAUGUS	34.57	15.78	241	-18.79	10.72	35.63	19.94	-15.69	11.65	35.63	19.94	55	-15.69
SAVOY	14.08	15.13	258	0.45	10.32	28.54	17.20	-11.54	10.01	28.54	17.20	174	-11.54
SCITUATE	37.03	19.02	88	-18.01	10.32	31.08	20.54	-10.54	10.86	31.08	20.54	37	-10.54
SEEKONK	26.45	20.70	33	-5.75	12.91	31.62	20.07	-11.55	13.82	31.62	20.07	51	-11.55
SHARON	37.30	19.61	63	-17.69	9.68	19.33	20.39	1.06	5.95	19.33	20.39	40	1.06
SHEFFIELD	18.37	14.37	273	-4.00	9.68	6.39	8.10	-1.71	10.62	6.39	8.10	339	-1.71
SHELBURNE	32.29	16.46	209	-15.83	9.91	28.41	14.41	-14.00	10.62	28.41	14.41	272	-14.00
SHERBORN	26.86	15.68	244	-11.18	10.10	35.16	21.36	-13.80	10.08	35.16	21.36	22	-13.80
SHIRLEY	32.96	14.03	282	-18.93	8.83	33.59	15.31	-18.28	10.08	33.59	15.31	252	-18.28
SHREWSBURY	25.41	15.63	246	-9.76	9.76	22.62	18.10	-4.52	12.80				

ON HOTEL-MOTEL EXCISE NOTIFICATION

It is essential that communities adopting the local option room occupancy excise (hotel-motel excise) follow the proper procedure in notifying the Department of Revenue. Over the past few years, a number of communities have lost potential revenue because of their failure to notify DOR of adoption of the excise in a timely fashion.

A community wishing to adopt the excise must vote to accept the provisions of General Laws, Chapter 64G, Section 3A and must specify in the vote the rate of the local excise. The rate cannot exceed 4%.

The excise can take effect on the first day of the calendar quarter following the vote of acceptance, or the first day of any later calendar quarter that the community designates, provided that the vote is taken at least 30 days before the beginning of the quarter. Once a community has adopted the excise, it may not revoke its acceptance or change the rate of the excise more than once every twelve months.

A copy of the vote accepting the hotel-motel excise must be sent to the Commissioner of Revenue, who collects the excise on behalf of communities. Notification should be in the form of a copy of the vote adopting the excise, certified by the city or town clerk. The community should also transmit to DOR, with its notification if possible, a list of all hotels, motels, and lodging houses located in the community.

Because the excise can only take effect at the beginning of the calendar quarter, failure to give the Commissioner timely notification will result in a three month delay in the implementation of the excise. The notification of adoption of the excise or a change in the rate must be received by the Commissioner *at least twenty one days* before the effective date of the adoption or rate change. The money collected is distributed semi-annually by the Treasurer of the Commonwealth, to be used as a local estimated receipt by communities.

Send your vote to:

Stephen W. Kidder, Commissioner
Department of Revenue
Room 800, Saltonstall Building
100 Cambridge Street
Boston MA 02204
ATTN: Room Occupancy Revenue Coordinator
Room 301S, Saltonstall Building

CITY & Town, a publication of the Massachusetts Department of Revenue's Division of Local Services, is published 11 times per year. The Division is responsible for oversight and assistance to cities and towns in achieving equitable property taxation and efficient fiscal management.

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CITY & Town

A monthly publication of the Massachusetts Department of Revenue's
Division of Local Services

Stephen W. Kidder
Commissioner



Edward J. Collins, Jr.
Deputy Commissioner

RESIGNATION WITHDRAWAL

Does a tenured teacher who has submitted a resignation to a school committee in order to take a job in another school system have a right to return to her former job if she withdraws her resignation before the school committee votes to accept it? The Supreme Judicial Court considered this question in *Janet B. Sinkevich vs. School Committee of Raynham*, 403 Mass. 420 (1988).

Janet Sinkevich, a tenured public school teacher, submitted her resignation to the Raynham superintendent of schools on September 10, 1985. Earlier in the month, she had been hired as a teacher by the Fall River school committee. She continued to teach in Raynham until September 12, 1985, when the Raynham school superintendent informed Ms. Sinkevich that a replacement for her was available, and released her from her obligation to give thirty days' notice of her resignation.

Ms. Sinkevich began teaching in the Fall River school system on September 16, 1988. However, she quickly became disenchanted with her new job. On September 18th, she delivered a letter to the Raynham superintendent of schools in which she requested that the school committee take no action on her resignation letter since she was ready to resume teaching immediately. The Raynham school committee, however, confirmed the superintendent's decision to waive the thirty-day resignation notice requirement and voted to accept her resignation at a September 23rd meeting. On September 25th, the Fall River school committee accepted her resignation from that system. Then, in mid-November, the Raynham school committee voted to fill Ms. Sinkevich's former position.

Faced with unemployment, Ms. Sinkevich filed suit against the Raynham school committee. On appeal, a decision was rendered by the Supreme Judicial Court. At issue was the legal effect of the plaintiff's attempt to withdraw her resignation.

Crucial to the SJC's decision was the Raynham school committee's policy manual. The manual provided that a teacher may resign for any reason upon thirty days' written notice. It was further stated that a "teacher intending to resign shall notify the superintendent in writing at least thirty days before such resignation is to take effect. The superintendent may, with the approval of the school committee, release a teacher in less than thirty days, if he is able to fill the position satisfactorily within that time."

Sinkevich argued that school committees have a duty to act on resignations of school teachers notwithstanding any provision in the Raynham policy manual. Furthermore, she could withdraw her resignation at any time prior to its acceptance by the school committee. In her view, the action of the school committee was the equivalent of a dismissal of a tenured teacher in violation of Chapter 71 Section 42 of the General Laws. Thus, she requested reinstatement with back pay.

The Supreme Judicial Court rejected the argument that a resignation has no legal effect unless it is specifically accepted by the school committee. In the court's view, a school committee may establish a policy concerning the resignation of teachers as part of the conditions of employment. The Raynham policy manual in this instance provides the committee will accept all resignations made in the manner prescribed in the manual. In receiving a teacher's resignation, the superintendent merely performs a ministerial act. The submission of the letter of resignation on September 18th started the thirty-day period without further action by the committee. Since there was a satisfactory replacement teacher, the superintendent released her from the obligation to remain a full thirty days. Her resignation would have been effective at the end of thirty days even if the school committee had never approved the resignation.

Continued on page 7

DOR/RMV COLLABORATION REAPS BENEFITS FOR COMMUNITIES

In the January 1989 issue of *CITY & Town*, an outline of the Division of Local Services' plan for assisting communities in collecting excise taxes on those motor vehicles operated with repair plates for non-business use was featured. This month, we are pleased to feature a progress report on the "crack down on repair plate misuse" efforts of two state agencies.

For one year, the Department of Revenue (DOR) and the Registry of Motor Vehicles (RMV) have joined in an effort to expose tax evaders who use repair plates to avoid paying the excise tax and to recover this delinquent revenue for the Commonwealth's cities and towns. The DOR reports that to date, over \$1.2 million in sales taxes has been netted by investigators from both agencies and nearly 500 repair plates have been suspended. Since the potential excise tax collection on a new vehicle owned for five years exceeds the sales tax by about 25%, the \$1.2 million represents a potentially collectible excise for cities and towns of about \$1.5 million.

Revenue Commissioner Stephen Kidder and Registrar of Motor Vehicles Robert Hutchinson announced the implementation of even tougher enforcement procedures including joint RMV/DOR repair plate patrols and legislation which will curb the use and number of plates. According to Commissioner Kidder, 1,884 cases were closed over the last twelve months and DOR Repair Plate investigators are currently inspecting 3,000 referred shops. The Commissioner called the use of repair plates for the purpose of avoiding titling the vehicles and paying the excise taxes "a new form of highway robbery and said that the DOR will eventually visit every shop that has been issued repair plates.

According to Registrar Hutchinson, almost half of the approximately 1,200 repair shops investigated by the RMV over the past year have had Registry hearings. These hearings resulted in the suspension of repair plates from 229 establishments for failure to pay sales taxes and for "loaning out" the plates.

Before the two state agencies joined forces, separate investigations were conducted by each and cases were referred back and forth between the Registry and the Department. The new collaboration will make for better coverage, faster case resolution, and ultimately, greater compliance with repair plate and sales and excise laws.

In spite of the diligence and success of the efforts by the DOR and the RMV, laws governing repair plate use need to be modified. Legislation has been filed by both agencies to limit the use and number of plates and to facilitate the recall of misused plates. The new legislation, moreover, will not allow use of a repair plate on a vehicle owned by an individual in the repair business. This proposed legislation would restrict the use of repair plates to vehicles transported for repair or to be test driven and would allow the Registrar to limit the of plates issued to a single repair shop. Registrar Hutchinson blamed existing law for inviting repair plate abuse and emphasized the need to get back to the original concept behind using repair plates — to service the public.

Commissioner Kidder called repair plate abuse one of the most costly forms of tax cheating and estimates that Massachusetts stands to collect \$10 million in sales tax revenues if the illegal use of plates is eliminated. The DLS's collaborative approach is currently producing bills assessing taxes on violations, the bills on which are generating about \$12,000 a month. This would represent a total of about \$12.5 million in excise monies.

The DLS encourages any individual who observes a repair plate being used for a non-business purpose to report such usage to the Property Tax Bureau. If the report contains the plate number, year and model of the vehicle, the Bureau will send a bill to the appropriate city or town for local collection of an excise on the improper usage.

REPAIR PLATE USAGE MOST FLAGRANT ABUSE

Each month, *City and Town* publishes what the Division of Local Services determines to be the incidence of the most flagrant abuse of repair plates on a luxury automobile which was discovered during the preceding month. Each report relates the excise amount for which such a vehicle would be liable were the car to have been properly taxed over the first five years of its life. Because of the DLS's program, much of the otherwise lost revenue will be recovered on the particular vehicle by the municipality where the vehicle is principally garaged.

April's selection:

1986 Porsche Coupe 2D

Location: Auto Repair Facility
Springfield, MA

Manufacturer's List Price. . . . \$48,000.00
Five Year Excise Liability. . . . \$2,700.00

Focus on *Municipal Finance*

A regular supplement to CITY & Town

PROPERTY VALUATION BY CLASS

This issue of CITY & Town FOCUS explores the relative shares of communities' taxable property classified as residential and open space as opposed to commercial, industrial, and personal property. This is the first in a FOCUS series looking at the topic of communities implementing classification and choosing to alter the shares of the property tax borne by different classes of property by adopting multiple tax rates.

An amendment to the Massachusetts Constitution, endorsed by the electorate in 1978, resulted in the Classification Act. This Act, among other provisions, requires municipalities to classify real and personal property into one of five different categories, to record the value in each of those classes, and subsequently, to vote on whether classes should be taxed at the same or different rates. The five classes are: residential, open space, commercial, industrial, and personal property.

Classification means that a municipality has assigned its property to one of the five individual classes. Once a community is certified as assessing property at full and fair cash value, it is allowed to allocate the property tax among the major property classes within certain limits established by law. Adoption of different rates for different classes of property has the effect of shifting the burden among classes. The purpose of this local option is to enable communities to retain, within certain limits, the relative shares of the property tax borne by residential and commercial property as they existed prior to the implementation of full and fair cash valuation.

A minimum residential factor established by the Department of Revenue is used to ensure that any shift off the residential class is not so great as to create a disproportionate burden for commercial, industrial, and personal property taxpayers.

Each year, as a step in the tax rate setting process, the assessors in each community report to the Department of Revenue the value and share of total valuation comprised by each of the classes. This information is then entered in the Municipal Data Bank's extensive database on property values, which was used to generate this report.

FINDINGS

Statewide, the total value of all taxable property is **\$328.2 billion**. Of this total, more than three quarters is in the residential class, **\$249.1 billion (75.9%)**. Commercial property totals **\$48.9 billion (14.9%)**, industrial property totals **\$21 billion (6.4%)**, and personal property (predominantly equipment owned by utilities and other companies) totals **\$7.9 billion (2.4%)**. Small shares of statewide total value are comprised of the Open Space class (**\$98.5 million, or .3%**) and Unclassified (communities undergoing revaluation are sometimes unable to classify their property).

For the purposes of this report, the five property classes are combined into two classes: Residential/Open Space (R/O) and Commercial/Industrial/Personal (CIP). These are also the groupings for which differential tax rates can be set, if the community so chooses.

The share of total valuation comprised by the Residential/Open Space categories varies by Kind of Community:

<u>Kind of Community</u>	<u>% of Total Valuation</u>
Urbanized Centers	67.3%
Economically Developed Suburb	75.8%
Rural Economic Centers	82.2%
Growth Communities	82.4%
Resort/Retirement/Artistic Communities	88.1%
Residential Suburbs	88.3%
Small Rural Communities	89.6%

The Residential/Open Space share of communities' total valuation ranges from 13.4% (or 86.6% in Commercial/Industrial/Personal) to 98.47% (or 1.53% in Commercial/Industrial/Personal). Statewide, the average share of total valuation comprised by the Residential/Open Space category is 76.23% (or 23.77% in Commercial/Industrial/Personal).

Of those communities that have a split tax rate, their Residential/Open Space categories comprise 70.68% (or 29.32% in Commercial/Industrial/Personal) of total valuation. Of those communities that have a single rate, their Residential/Open Space categories comprise 84.46% (or 15.54% in Commercial/Industrial/Personal) of total valuation. On average, in other words, communities electing two tax rates have nearly double the value of commercial/industrial/personal property as other communities.

Figure 1 shows statewide total assessed property values by class. Figure 2 shows Residential/Open Space valuation as a percentage of a community's total valuation by Kind of Community, using the Kind of Community classification developed by the Department of the dollars of valuation in the Residential/Open Space categories and in the Commercial/Industrial/Personal Property categories, total taxable valuation, and the share of total valuation comprised by the Residential/Open Space classes. An asterisk* shows that a particular community has adopted multiple tax rates.

Data reflects 266 communities' FY89 values and 85 communities' FY88 values and is expressed in millions.

The issue of CITY & Town FOCUS was developed by Debbie DePerri and Roger Hatch of the Municipal Data Bank and Leslie Kirwan and Julie Slavet of the Analysis Unit.

CURRENT ASSESSED VALUES BY PROPERTY CLASS
Massachusetts State Totals

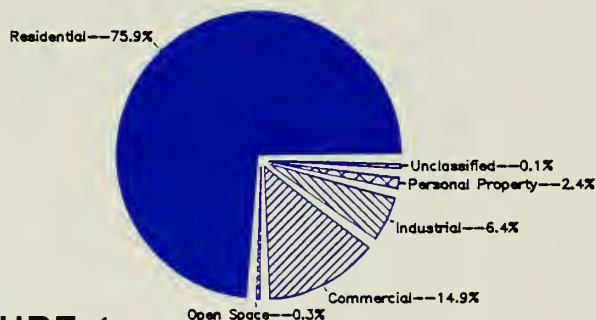


FIGURE 1

RESIDENTIAL/OPEN SPACE % OF TOTAL VALUATION
By Kind of Community

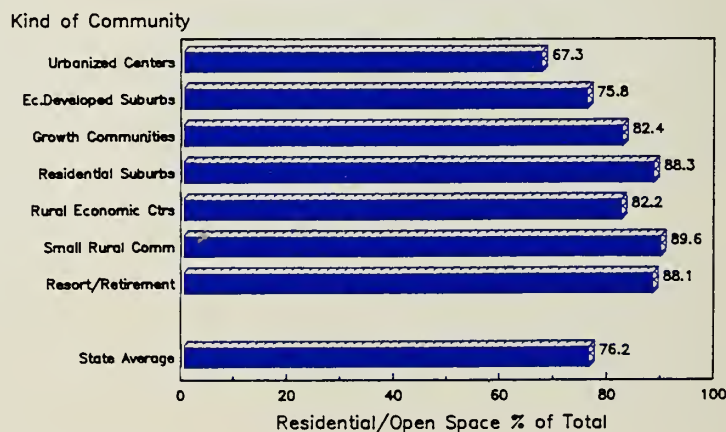


FIGURE 2

VALUATION BY CLASS

(in millions)

	RESID/ OP SPC	COMM/IND/ PER. PRO	TOTAL	RES/OS % OF TOTAL	MUL. RAT		RESID/ OP SPC	COMM/IND/ PER. PRO	TOTAL	RES/OS % OF TOTAL	MUL. RAT		RESID/ OP SPC	COMM/IND/ PER. PRO	TOTAL	RES/OS % OF TOTAL	MUL. RAT
ABINGTON	89	618.996	98.150	717.146	86.31	CHICOPEE	89	1,056.822	323.349	1,380.170	76.57	HANCOCK	89	67.432	12.456	79.888	84.41
ACTION	89	1,369.874	355.745	1,725.619	79.38	CLARKMARK	89	560.056	11.264	571.320	98.02	HANOVER	89	528.971	207.943	736.915	71.87
ACUSHNET	89	359.926	36.856	396.782	90.71	CLARKSBURG	88	26.018	1.726	27.744	79.68	HANSON	89	424.208	54.252	488.459	88.89
ADAMS	89	177.241	51.459	228.700	77.30	CLINTON	89	389.350	90.266	489.617	93.68	HARDWICK	89	54.142	12.023	66.166	81.83
AGAAM	89	921.480	238.619	1,160.099	79.43	COHASSET	89	523.562	66.040	591.602	88.50	HARVARD	89	428.745	22.631	451.376	94.99
ALFORD	89	38.747	1.989	40.736	95.12	CONCORD	88	36.417	9.719	46.136	78.93	HATFIELD	89	1,657.268	179.064	1,836.332	90.25
AMESBURY	89	538.711	142.297	681.008	79.10	CONCORN	88	1,316.959	230.206	1,547.165	88.12	HAVERHILL	89	1,481.744	410.347	1,892.091	78.31
AMHERST	89	782.087	110.262	892.349	87.66	CUMMINGTON	89	47.974	3.751	51.725	92.75	HAVERHILL	89	1,481.744	410.347	1,892.091	78.31
ANDOVER	89	150.435	1,075.562	3,225.997	66.64	DALTON	88	131.611	53.135	184.746	71.24	HEATH	88	27.157	1.420	28.577	91.73
ARLINGTON	89	2,848.097	283.251	3,131.348	90.95	DANVERS	89	1,417.442	784.872	2,202.314	64.36	HINGHAM	89	1,261.621	252.132	1,513.753	83.34
ASHBURNHAM	89	168.608	11.582	180.199	93.57	DARTMOUTH	88	901.626	200.476	1,102.102	81.81	HINGSDALE	88	57.383	15.285	72.668	78.97
ASHBY	88	58.295	4.346	62.641	88.32	DEHAM	88	754.224	264.834	1,019.058	74.01	HOLBROOK	88	233.419	61.769	295.189	79.07
ASHFIELD	89	47.058	6.224	53.282	85.05	DEERFIELD	89	143.043	61.011	204.054	70.10	HOLDEN	89	807.544	76.922	884.466	91.30
ASHLAND	89	683.527	120.146	803.673	83.84	DENNIS	89	1,795.175	224.113	2,019.288	88.90	HOLLAND	89	143.961	7.153	151.114	95.27
ATHOL	89	324.773	62.611	387.384	76.00	DIGHTON	89	268.834	49.506	318.340	84.45	HOLLISTON	88	463.008	95.251	558.259	82.94
ATTLEBORO	89	1,033.457	326.267	1,359.724	63.04	DODGAS	89	162.497	12.626	175.122	92.79	HOLYOKE	88	469.696	312.363	802.059	61.02
AUBURN	89	335.610	180.411	516.020	49.97	DOVER	88	1,037.086	10.834	1,047.920	97.65	HOPEDALE	89	262.146	48.362	310.507	84.42
AVON	88	141.966	142.134	284.100	54.29	DRACUT	89	214.557	98.435	313.521	87.15	HOPKINTON	89	761.108	195.639	956.747	79.55
AYER	88	181.060	152.456	333.516	79.44	DUDLEY	89	1,795.175	31.645	246.203	87.15	HUBBARDSTO	89	137.105	8.114	145.219	94.41
BARNSTABLE	88	2,772.956	717.667	3,490.623	91.23	DUNSTABLE	89	956.833	84.479	1,041.312	91.89	HUDSON	89	817.019	222.586	1,039.605	82.18
BARRE	89	153.951	22.529	176.481	91.83	DUXBURY	89	1,153.145	55.653	1,208.799	95.40	HULL	88	341.306	30.671	371.977	92.18
BECKET	89	166.859	14.847	181.706	94.98	E. BRIDGEWAT	89	508.525	99.727	608.252	83.60	HUNTINGTON	88	34.049	4.110	38.168	87.21
BEDFORD	89	688.920	564.186	1,253.106	90.94	E. BROOKFIE	88	374.153	866.469	1,240.622	30.16	IPSWICH	89	873.866	104.312	978.178	81.97
BELCHERTON	88	311.445	31.036	342.481	83.46	E. LONGMEAD	89	956.833	64.767	1,021.600	81.44	LAKEVILLE	89	349.800	50.093	399.893	87.47
BELLINGHAM	89	639.177	126.670	765.847	90.51	EASTHAM	88	284.249	64.767	349.016	81.44	LANCASTER	89	232.234	31.475	263.709	88.06
BELMONT	88	1,314.586	137.890	1,452.476	94.13	EASTHAMPTON	88	539.619	109.519	649.135	83.13	LANESBORO	89	88.650	34.519	123.169	71.97
BERKLEY	89	228.289	21.234	249.520	84.74	EASTON	88	984.201	124.225	1,108.426	88.79	LAWRENCE	89	174.048	72.979	247.027	70.46
BERLIN	89	160.623	15.018	175.641	84.60	EGREMONT	89	94.697	11.905	106.602	88.83	LEE	89	174.048	72.979	247.027	70.46
BERNSTADT	89	1,629.733	296.567	1,926.299	84.60	EVERING	89	43.342	106.339	149.681	28.96	LEICESTER	89	243.407	27.693	271.101	89.78
BILLERICA	89	1,646.832	799.830	2,446.662	67.31	ESSER	89	279.636	39.053	318.689	87.59	LENEX	89	230.959	92.291	323.250	73.11
BLACKSTONE	89	260.306	29.292	289.598	92.17	FAIRHAVEN	88	1,211.979	1,000.924	2,212.903	74.77	LEMINSTER	89	1,237.570	383.316	1,620.886	73.35
BLANDFORD	89	59.342	5.058	64.400	81.91	FAIRVIEW	88	337.349	126.828	464.177	72.67	LEXINGTON	89	86.664	4.023	90.687	95.56
BOLLON	89	185.808	41.034	226.842	54.79	FALL RIVER	89	1,913.167	661.837	2,575.004	74.30	LEXINGTON	89	2,301.576	674.074	2,975.650	77.35
BOSTON	89	15,262.348	15,070.168	33,332.516	85.75	FALMOUTH	89	2,611.589	310.224	2,921.813	79.38	LEWIS	89	19.360	3.087	22.447	86.25
BOUNE	89	1,354.619	225.625	1,580.244	71.85	FALMOUTH	89	1,127.327	351.444	1,478.771	79.23	LITTLETON	88	243.373	154.426	397.813	61.23
BOXBOROUGH	89	257.499	100.878	358.378	98.04	FLORIDA	88	1,127.327	29.644	1,156.971	73.45	LONGMEAD	89	922.430	46.404	968.834	91.21
BOXFORD	89	663.634	13.267	676.901	87.59	FOXBOROUGH	89	696.356	244.228	940.584	73.63	LOWELL	89	2,098.953	742.465	2,841.418	73.87
BOYLSTON	89	154.173	21.853	176.027	66.91	FRAMINGHAM	89	3,324.150	1,190.610	4,514.759	79.97	LUDLOW	88	437.043	90.581	527.623	82.83
BRAintree	89	1,571.998	777.513	2,349.511	93.28	FRANKLIN	89	859.846	215.316	1,075.162	84.08	LUNENBURG	88	246.689	31.738	278.427	88.60
BRESTER	89	1,175.635	84.682	1,260.317	87.30	FREETOWN	89	420.887	106.114	526.999	78.19	LYNN	89	2,396.090	628.405	3,024.495	76.76
BRIDGEWATER	89	721.768	95.622	817.390	75.21	GARDNER	88	380.354	16.714	397.068	87.02	LYNNFIELD	88	865.553	285.618	1,151.171	79.19
BRIMFIELD	89	78.928	11.565	90.494	90.02	GAY HEAD	88	114.190	2.310	116.501	82.19	MANCHESTER	88	332.914	34.416	367.330	91.94
BROCKTON	89	194.605	723.192	2,917.797	73.66	GEORGETOWN	89	364.135	54.339	418.474	83.11	MANCHESTER	89	524.694	323.937	848.630	63.13
BROOKFIELD	89	96.670	10.716	107.386	90.02	GIL	89	28.538	10.179	38.717	83.11	MARBLEHEAD	89	2,202.052	150.636	2,352.687	91.60
BROOKLINE	88	3,987.542	473.930	4,461.472	73.68	GIL	89	1,466.916	298.474	1,765.390	81.07	MARLBORO	89	1,376.760	882.152	2,258.912	60.95
BURLAND	89	34.846	12.447	47.293	59.83	GLOUCESTER	88	1,466.916	298.474	1,765.390	81.07	MARSHFIELD	89	1,201.449	117.982	1,319.431	91.96
BURLINGTON	89	1,204.826	1,106.497	2,311.324	59.83	GOSHEN	88	33.427	3.614	37.041	82.21	MASHPEE	88	700.316	83.321	783.637	91.38
CAMBRIDGE	89	4,384.371	2,943.476	7,327.847	59.83	GOSNOLD	88	10.733	17.460	28.194	71.98	MATTAPOLISSET	89	428.434	44.486	472.920	91.81
CANTON	89	1,261.056	559.897	1,820.953	69.25	GRAFTON	89	659.958	142.978	802.936	82.19	MAYNARD	88	358.667	108.461	467.128	71.27
CARLISLE	89	533.076	98.667	631.743	79.03	GRANDVILLE	89	227.398	14.374	241.772	94.05	MEDFORD	89	757.128	67.941	825.069	91.77
CARVER	88	393.876	491.745	885.621	83.45	GRANDVILLE	89	182.835	70.968	253.803	72.21	MEDWAY	89	451.386	466.186	917.572	85.53
CHARLEMONT	89	262.062	5.369	267.431	83.45	GRANDVILLE	89	182.835	70.968	253.803	72.21	MEDWAY	89	451.386	466.186	917.572	85.53
CHAPEL	89	1,591.743	197.945	1,789.688	88.94	GROTON	89	386.339	33.666	420.005	90.56	MEDWAY	89	451.386	466.186	917.572	85.53
CHELMSFORD	88	1,119.857	396.348	1,516.205	73.86	GROVELAND	89	268.454	27.992	296.446	64.48	MEDWAY	89	451.386	466.186	917.572	85.53
CHESEA	88	327.133	230.440	557.573	84.61	HADLEY	89	159.553	87.910	247.463	84.98	MEDWAY	89	451.386	466.186	917.572	85.53
CHESTER	88	61.771	11.171	72.942	87.76	HADLEY	89	159.553	87.910	247.463	84.98	MEDWAY	89	451.386	466.186	917.572	85.53
CHESTER	88	34.276	4.780	39.056	80.08	HAMPTON	89	604.574	35.196	639.770	94.50	MEDWAY	89	451.386	466.186	917.572	85.53
CHESTERFIELD	88	30.186	7.508	37.694	80.08	HAMPTON	89	184.366	15.994	200.360	92.02	MEDWAY	89	451.386	466.186	917.572	85.53

VALUATION BY CLASS (in millions)

FY	RESID/ OP SPC	COMM/IND/ PERS. PROP.	TOTAL	RES/OS	FY	RESID/ OP SPC	COMM/IND/ PERS. PROP.	TOTAL	RES/OS	FY	RESID/ OP SPC	COMM/IND/ PERS. PROP.	TOTAL	RES/OS
				% OF TOTAL					% OF TOTAL					
89	1,681,747	378,417	2,060,164	81.63	*	PRINCETON	89	186,143	89	1,181,167	154,409	1,335,571	86.77	
89	504,896	174,702	679,599	74.29	*	PROVINCETOWN	89	306,779	89	2,856,463	137,022	433,800	96.13	
89	14,421	1,185	15,606	92.40	*	QUINCY	89	856,463	89	2,856,463	982,972	839,438	74.40	
89	371,119	113,786	484,905	76.53	*	RANDOLPH	89	1,148,681	89	1,148,681	245,976	1,394,657	82.36	
89	1,212,601	313,864	1,526,465	79.44	*	RAYNHAM	89	468,869	89	468,869	142,379	611,248	76.71	
89	341,458	66,646	548,104	86.19	*	READING	89	1,181,167	89	1,181,167	154,409	1,335,571	86.77	
89	465,291	52,309	517,600	89.86	*	REHOBOTH	89	2,856,463	89	2,856,463	982,972	839,438	74.40	
89	1,730,458	81,227	1,811,685	91.13	*	REVERE	89	1,594,826	89	1,594,826	328,188	1,923,014	82.93	
89	3,680	4,465	8,145	45.18	*	RICHMOND	89	86,831	89	86,831	9,731	96,562	89.92	
89	186,535	27,864	214,399	87.00	*	ROCHESTER	89	137,824	89	137,824	29,926	167,750	82.16	
89	276,438	86,617	363,055	76.14	*	ROCKLAND	89	556,447	89	556,447	180,400	736,848	75.52	
89	21,801	1,509	23,309	93.51	*	ROCKPORT	89	778,781	89	778,781	181,616	860,397	90.51	
89	25,792	1,497	27,288	94.51	*	ROME	89	246,576	89	246,576	157,254	180,593	13.40	
89	283,047	11,462	294,509	96.11	*	ROWLEY	89	3,117	89	3,117	40,999	287,575	90.65	
89	3,146,314	446,830	3,593,148	87.56	*	RYALSTON	89	1,170	89	1,170	3,217	34,386	85.43	
89	1,144,729	43,244	1,187,973	72.09	*	RUSSELL	89	1,170	89	1,170	3,217	34,386	85.43	
89	2,388,631	715,907	3,104,538	76.94	*	RUTLAND	89	438,453	89	438,453	151,412	589,865	74.33	
89	9,759	7,024	16,783	58.15	*	SANDSFIELD	89	940,560	89	940,560	318,140	1,258,700	74.72	
89	953,776	390,279	1,344,055	70.96	*	SALEM	89	1,035,843	89	1,035,843	320,481	1,356,324	74.72	
89	37,012	12,567	49,579	74.65	*	SAUGUS	89	14,644	89	14,644	0,227	14,871	98.47	
89	90,722	12,711	103,434	87.71	*	SAVOY	89	1,368,174	89	1,368,174	83,565	1,451,739	94.24	
89	27,307	1,765	29,072	93.93	*	SCITUATE	89	597,507	89	597,507	206,014	803,520	74.36	
89	459,221	28,912	488,133	94.08	*	SEKONK	89	597,507	89	597,507	206,014	803,520	74.36	
89	765,969	200,901	966,870	79.22	*	SHARON	89	581,110	89	581,110	59,050	640,159	90.78	
89	5,589,328	1,270,482	6,859,810	81.48	*	SHEFFIELD	89	217,693	89	217,693	32,606	250,299	86.97	
89	330,765	43,436	374,201	92.44	*	SHELBURNE	89	38,754	89	38,754	16,298	55,052	70.40	
89	155,795	89,833	225,628	69.05	*	SHERBORN	89	388,433	89	388,433	12,842	401,274	96.80	
89	1,579,762	416,390	1,996,152	79.14	*	SHIRLEY	89	227,099	89	227,099	37,489	264,588	85.83	
89	717,113	157,995	875,107	81.95	*	SHREWSBURY	89	1,370,638	89	1,370,638	286,690	1,657,328	82.70	
89	150,739	31,491	182,229	82.72	*	SOMERSBURY	89	44,450	89	44,450	2,259	46,708	95.16	
89	748,863	160,079	908,942	82.36	*	SOMERSET	89	527,951	89	527,951	521,806	1,049,757	50.29	
89	610,921	215,289	826,210	75.94	*	SOMERVILLE	89	1,507,770	89	1,507,770	467,315	1,975,084	76.34	
89	693,632	257,448	951,080	72.93	*	SOUTH HADLEY	89	353,902	89	353,902	53,552	407,454	86.86	
89	469,340	66,425	535,765	87.60	*	SOUTHAMPTON	89	131,812	89	131,812	16,651	148,463	88.78	
89	110,289	33,295	143,583	76.81	*	SOUTHBOROUGH	89	559,448	89	559,448	194,632	754,112	74.19	
89	585,343	99,123	684,466	85.52	*	SOUTHBURGE	89	233,687	89	233,687	131,152	654,839	79.97	
89	630,789	160,943	831,732	80.65	*	SOUTHWICK	89	299,389	89	299,389	44,956	344,344	86.94	
89	1,309,877	783,002	2,092,879	62.59	*	SPENCER	89	388,755	89	388,755	54,621	443,376	87.68	
89	438,518	56,679	495,197	88.55	*	SPRINGFIELD	89	1,784,678	89	1,784,678	906,157	2,690,835	66.32	
89	55,321	3,717	59,039	93.70	*	STERLING	89	174,884	89	174,884	39,750	214,635	81.45	
89	90,622	21,765	112,387	80.63	*	STOCKBRIDGE	89	177,093	89	177,093	26,103	203,195	87.18	
89	630,588	94,089	724,677	87.02	*	STONEHAM	89	1,261,041	89	1,261,041	181,657	1,442,698	75.41	
89	225,421	19,436	244,857	92.06	*	STOUGHTON	89	993,336	89	993,336	317,147	1,310,483	87.80	
89	321,627	55,708	377,335	85.24	*	STON	89	447,063	89	447,063	73,006	520,069	85.96	
89	240,804	66,637	311,441	78.60	*	STURBRIDGE	89	272,597	89	272,597	91,029	363,626	74.97	
89	240,979	11,136	252,115	95.58	*	SUDBURY	89	766,605	89	766,605	129,388	895,993	85.56	
89	2,274,574	852,567	3,127,142	72.74	*	SUNDERLAND	89	87,479	89	87,479	15,387	103,336	84.96	
89	49,143	1,794	50,937	96.48	*	SUTTON	89	303,190	89	303,190	44,081	347,271	87.51	
89	357,962	190,741	942,703	79.77	*	SWAMPSCOTT	89	1,008,211	89	1,008,211	67,805	1,076,016	93.70	
89	39,075	39,075	396,983	90.16	*	SWANSEA	89	423,905	89	423,905	105,649	529,554	80.05	
89	21,293	3,319	24,611	86.52	*	TAUNTON	89	681,543	89	681,543	200,388	881,931	81.04	
89	69,065	5,349	74,413	92.81	*	TEMPLETON	89	89,994	89	89,994	21,060	111,054	81.04	
89	80,923	5,014	85,937	94.17	*	TEKSBURY	89	1,189,353	89	1,189,353	426,353	1,615,706	73.61	
89	1,081,284	361,108	1,442,392	74.96	*	TISBURY	89	384,078	89	384,078	77,116	461,194	83.28	
89	24,447	4,712	29,159	83.84	*	TOLLAND	89	45,829	89	45,829	9,053	54,882	83.50	
89	280,531	98,258	378,789	74.06	*	TOPSFIELD	89	483,696	89	483,696	53,717	537,413	90.00	
89	1,899,200	945,770	2,844,970	66.76	*	TOWNSEND	89	365,158	89	365,158	46,900	412,058	88.90	
89	122,559	22,253	144,812	81.86	*	TROU	89	332,568	89	332,568	61,862	394,430	84.32	
STATE TOTALS														
250,173.45 78,030.25 328,203.70 76.23														
ONE HUNDRED COMMUNITIES HAVE MULTIPLE TAX RATES														

The court held that Sinkevich could not now insist that the school committee should have approved her resignation when she pursued new employment at that time as if such approval were unnecessary. If a school department by contract (in this case, a policy manual) agrees to allow teachers to resign their positions by notice, such resignations are effective when submitted and not only after acceptance by the school committee.

Accordingly, Ms. Sinkevich could not withdraw her resignation before it was accepted by the school committee and be entitled to return to her job in Raynham.

In making this judgment, the court held that a school department that by contract agrees to facilitate a teacher's departure when the teacher wishes to do so should not be obliged to take the teacher back when the new job does not work out as anticipated.

The Latest in Financial Management Assistance

The Municipal Data Management and Technical Assistance Bureau (MDM/TAB) offers consulting services to cities and towns on a wide range of municipal finance topics. All management analysis and assistance are provided at no charge to the community.

LAWRENCE: FY89 BUDGET ANALYSIS AND RECOMMENDATIONS FOR ENHANCING REVENUES

At the request of the Mayor of the City of Lawrence, the Division of Local Services prepared a financial analysis to determine the extent of the city's projected shortfall for FY89 and to make recommendations for the enhancement of the city's revenues. The report included an analysis of the FY89 budget as adopted by the City Council, the identification of additional costs not reflected in the budget, and a projection of revenues available to support expenditures required for FY89. In addition, the report identified steps the City can take to enhance revenues, and made recommendations for changes in certain financial management practices.

WEST BROOKFIELD: FINANCIAL MANAGEMENT REVIEW

A management consulting team from the Division's Bureau of Accounts and Municipal Data Management and Technical Assistance Bureau met with town officials to review the town's financial management organization. During the process of the review, interviews were conducted with, among others, the town accountant, treasurer, collector, Board of Selectmen, and chairman of the advisory board. The review resulted in a number of recommendations intended to define the finan-

cial management roles and responsibilities of town boards and officials and to improve communication and technical support needed to establish sound financial policies and goals.

NORWELL: REVENUE AND EXPENDITURE FORECAST

At the request of the Norwell Board of Selectmen, the Division's Technical Assistance Unit prepared a three-year Revenue and Expenditure Forecast. This report reviewed the town's current financial condition and compared the cost of maintaining the current level of services for the period FY90-FY94 to projected revenues.

COHASSET: REVENUE AND EXPENDITURE FORECAST

At the request of the Board of Selectmen, the Municipal Data Management and Technical Assistance Bureau completed a five year Revenue and Expenditure forecast for the town of Cohasset. The forecast projects the costs of maintaining Cohasset's current level of municipal services through FY94. In addition, the analysis also projects the town's potential debt service requirements needed to fund future capital projects.



APRIL 5: "Everything You've Always Wanted to Know About Proposition 2 1/2" at Cape Cod Community College in West Barnstable from 6:45 to 9:45 pm.

APRIL 5, 12, 19, 26: *Course 101* Assessment Administration: Law, Procedures, Valuation to be held at Barnstable High School in Barnstable from 7:00 to 10:00 pm.

APRIL 13: "Everything You've Always Wanted to Know About Proposition 2 1/2" to be held at North Andover High School from 6:45 to 9:45 pm.

APRIL 27: "Everything You've Always Wanted to Know About Proposition 2 1/2" at Massasoit Community College - Blue Hills Campus in Canton from 6:45 to 9:45 pm.

MAY 2, 9: *Course for Accountants and Auditors* to be held at the Student Center Auditorium; Worcester State College from 9:00 am to 4:00 pm.

CITY & Town, a publication of the Massachusetts Department of Revenue's Division of Local Services, is published 11 times per year. The Division is responsible for oversight and assistance to cities and towns in achieving equitable property taxation and efficient fiscal management.

(617) 727-2300

Editor: *Elizabeth Rose Anderson*

Final Phase of Mailing List Update Completed

ATTN: Finance Committee Members:

If you're reading this, you are aware that your *CITY & Town* delivery service has changed. Henceforth, our newsletter will be delivered to finance committee members through their town clerks. For the past few months, we've been busy here at *CITY & Town* headquarters streamlining our mailing list in an ongoing effort to produce and distribute our newsletter as efficiently as possible. It is no longer practical to maintain a personalized mailing list and provide home delivery to some groups of local officials because of constant address and membership changes. Finance committees were the last group to be updated.

This change in our mailing system was described in the February 1989 edition of *CITY & Town*. Again, we at the Division apologize for any temporary confusion or inconvenience resulting from this change. Thank you.

CITY & Town
Division of Local Services
P.O. Box 7015
Boston, MA 02204

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CITY & Town



A monthly publication of the Massachusetts Department of Revenue's
Division of Local Services

Stephen W. Kidder
Commissioner

Edward J. Collins, Jr.
Deputy Commissioner

"WELCOME STRANGER" ASSESSMENT PRACTICE INVALIDATED

Can full and fair market values be unfair? This is the crux of the United States Supreme Court's decision in the case *Allegheny Pittsburgh Coal Company et. al. v. County Commission of Webster County, West Virginia*. At issue was the county's "Welcome Stranger" assessing practice. The Court unanimously held that a county property tax assessment scheme which resulted in gross disparities in the assessed values of generally comparable properties violated the Equal Protection Clause of the U.S. Constitution.

The Court found that the assessor in Webster County, West Virginia had systematically and intentionally discriminated among properties in her valuation methodology. Specifically, she valued properties that had recently been sold on the basis of their sales price, while for comparable properties that had not recently been sold she used a general trending methodology. The Court held that trending in itself is not discriminatory; the result was discriminatory, however, in that the factors the assessor used produced values that were between 8 and 35 times lower than those placed on the sold properties. In one instance, it would have taken 500 years for the county's adjustment policy to equalize the assessments. These differences could not be explained by classification among types of property since West Virginia law does not provide for this. Nor were the disparities explainable by differing characteristics of the properties in question or by a time lag in applying an otherwise uniform methodology.

The Supreme Court held that "the fairness of one's allocable share of the total property tax burden can only be meaningfully evaluated by comparison with the share of other(s) similarly situated relative to their property holdings." In other words, despite the fact that the higher values were consistent with market value they were not in fact *fair* if comparable properties were deliberately and systematically valued much lower.

In this decision, the Court overturned a ruling by the West Virginia State Supreme Court of Appeals. That ruling had stated that since the petitioners' properties were valued at their full and fair market value the record did not show intentional and systematic discrimination. By extension, the remedy would be limited to seeking to have the undervalued properties brought up into line with their full and fair value.

The Supreme Court, in contrast, ruled that the equal protections and tax fairness provided under the U.S. Constitution demand that like properties be valued comparably, and that it is not sufficient to direct those who have suffered discrimination to seek higher values for others in the same class. Instead, the burden must fall upon the County to take steps to eliminate its discriminatory practices. The appropriate course would be to bring the lower values up into line with full and fair market value rather than to reduce the disproportionately high assessments to bring them into line with the lower values, which is what the petitioners wanted.

ALMOST THE SPEED OF LIGHT

The Division of Local Services has recently completed the installation of facsimile machines in our Boston and Springfield offices and is in the process of installing one in Worcester. Communities with "faxing" capabilities no longer have to be slaves to the postal service when it comes to getting Recap Sheets, Free Cash (Unrestricted Fund Balance) schedules and other time sensitive documents submitted for approval or certification. Many communities are already enjoying this new capability... we invite yours to do the same! Our fax machine numbers are: Boston - 617-727-6432, Springfield - 413-784-1034. Watch CITY & Town for word on the Worcester Office's facsimile machine installation.

FY 89 TRENDS IN BOND SALES

Between July 1 and March 7, 1989, eighty-eight bonds issued by the Cities, Towns and Districts of the Commonwealth totaled \$440,674,000. This does not include bonds issued by the Commonwealth of Massachusetts, hospitals, state universities, and other state agencies.

During 1988 several Massachusetts communities received upgraded ratings from Moody's Investors Service. Upgraded were the City of Boston, several state agencies and colleges, the towns of Boxborough, Easton, Hopkinton, Littleton, Mashpee, Stoughton, Stow and West Newbury, and the Cities of Fall River, Fitchburg, Malden, Marlborough, Quincy and Salem. Of the six downgrades in Massachusetts, five involved hospital debt.

Although long-term interest rates on bond issues have not risen nearly as rapidly as short-term rates, recent issues are averaging around fifty basis points higher than they were at the beginning of the fiscal year.

All eighty-eight of the bond issues have been "book-entry" bonds. Under the book-entry system of bond issuance, ownership certificates are replaced with computer files. Only one piece of paper is retained for each maturity, which lists all investors in each issue. Book-entry issuance is cost-effective because the process is automated. This saves money on the cost of bond printing as well as registration and transfer costs.

Virtually all of the bonds were issued as competitive sales rather than negotiated sales. Two exceptions are the Commonwealth and the City of Boston, both of which generally use negotiated sales for their bond issues.

The data below were compiled by George Zoukee of the Bureau of Accounts. If you have any questions or would like more information, please contact Mr. Zoukee or Allan Tosti, Assistant Director, Bureau of Accounts at 727-2300.

FY 89 Massachusetts Municipal Bond Issues

#	MUNICIPALITY	AMOUNT \$	RATE %	# YEARS	ISSUE DATE	SALE DATE	BANK QUAL	BOOK ENTRY	AVG LIFE	MOODY RATING	PURPOSE
1	ABINGTON	\$ 3,225,000	6.9424%	15	7/15	7/28	Y	Y		A	MUN PUR
2	ADAMS FIRE DISTRICT	885,000	7.1175	19	11/15	11/15	Y	Y		A	MUN PUR
3	AGAWAM	4,135,000	6.7474	15	10/01	10/11	Y	Y		A	MUN PUR
4	ANDOVER	2,950,000	6.3324	10	7/15	6/30	Y	Y		Aa	GEN OBL
5	ARLINGTON	2,965,000	6.4839	5	12/15	11/30	Y	Y		Aa	GEN OBL
6	BELLINGHAM	4,300,000	7.1356	15	1/01	1/05	Y	Y	7.00	A	GEN OBL
7	BELLINGHAM	2,000,000	7.1413	15	2/01	1/05	Y	Y	6.83	A	GEN OBL
8	BILLERICA	4,720,000	7.4540	20	3/01	2/28	N	Y	9.50	A1	GEN OBL
9	BOSTON CITY	8,984,000	5.3-6.4	6	7/15	7/15	N	Y		AA/Aa1	CERT PART
10	BOSTON CITY	65,000,000	7.3403	20	3/01	3/02	N	Y		A/A	GEN OBL
11	BOURNE	3,700,000	7.2438	20	12/15	11/22	Y	Y	9.17	A	GEN OBL
12	BOXBOROUGH	2,155,000	6.2884	10	11/15	11/03	Y	Y	4.83	A1	GEN OBL
13	BOXFORD	4,130,000	6.2023	10	11/15	11/03	Y	Y		Aa	SCHOOL
14	BREWSTER	5,000,000	7.0745	15	8/15	8/18	Y	Y	7.75	A	GEN OBL
15	CHELMSFORD	2,000,000	6.0400	4	7/15	6/29	N	Y		A1	MUN PUR
16	CHELMSFORD	8,000,000	6.8406	10	2/15	2/02	N	Y	5.50	A1	SEWER
17	CHICOPEE CITY	2,500,000	6.3883	10	7/15	6/30	Y	Y		A	GEN OBL
18	CLINTON	3,330,000	6.8413	10	2/15	2/08	Y	Y	5.33	A	GEN OBL
19	COMM. MASSACHUSETTS	250,000,000	7.1325	20	9/01	9/08	N	Y		AA+/Aa	GEN OBL
20	CONCORD	3,355,000	6.5555	13	12/01	11/17	Y	Y		Aaa	GEN OBL
21	DEDHAM-WESTWOOD WD	5,000,000	6.8825	20	11/01	11/01	Y	Y		A	WATER
22	DENNIS-YARMOUTH RSD	1,495,000	6.2680	5	10/01	9/29	Y	Y		A1	GEN OBL
23	DIGHTON-REHOBOTH RSD	4,350,000	7.1649	19	2/01	1/24	Y	Y	10.00	Baa1	SCHOOL
24	DIGHTON-REHOBOTH RSD	3,650,000	7.1649	20	3/01	1/24	Y	Y	10.25	Baa1	SCHOOL
25	DUDLEY	600,000	6.6709	10	11/01	10/18	Y	Y		A	GARAGE
26	EASTHAMPTON	1,390,000	6.4590	10	10/15	10/13	Y	Y	4.75	A1	GEN OBL
27	EASTON	4,645,000	6.9973	15	8/15	8/18	Y	Y	7.33	A1	GEN OBL
28	FALMOUTH	2,770,000	6.3650	10	11/15	11/02	Y	Y		A1	GEN OBL
29	FITCHBURG CITY	3,405,000	6.4854	9	8/01	7/21	Y	Y		Baa1	MUN PUR
30	FRANKLIN	4,885,000	7.2436	20	12/15	12/15	Y	Y		A1	GEN OBL
31	FRANKLIN	6,360,000	7.2960	20	1/15	12/15	Y	Y		A1	GEN OBL
32	FREETOWN-LAKEVILLE RSD	5,000,000	7.2677	19	12/15	12/07	Y	Y	9.67	A	SCHOOL
33	FREETOWN-LAKEVILLE RSD	1,550,000	7.3841	20	1/01	12/07	Y	Y	9.67	A	SCHOOL
34	GARDNER CITY	5,000,000	6.5638	12	7/01	6/21	Y	Y		A	MUN PUR
35	HAMPDEN-WILBRAHAM RSD	1,300,000	6.7590	10	12/15	12/13	Y	Y		Aa	SCHOOL
36	HARVARD	4,900,000	6.7695	14	10/15	10/18	Y	Y	7.50	A	SCHOOL
37	HARWICH	14,300,000	6.9979	15	2/15	2/08	N	Y	8.00	A1	GEN OBL
38	HINGHAM	4,260,000	7.1613	19	7/15	6/28	Y	Y		A1	GEN OBL
39	HINGHAM	6,750,000	6.5599	14	11/15	11/03	Y	Y		A1	GOLF CS
40	HOLDEN	5,000,000	6.8741	19	7/01	6/23	Y	Y		A	GEN OBL
41	HOLDEN	4,665,000	7.0689	20	10/15	10/04	Y	Y	10.25	A	MUN PUR

Continued on page 7

Focus on *Municipal Finance*

A regular supplement to CITY & Town

OVERRIDE CAPACITY

This issue of CITY & Town FOCUS covers the topic of override capacity, or the portion of a community's property tax capacity that can only be accessed through voter approval of Proposition 2 1/2 referenda questions. In discussing override capacity, it is helpful to review the building blocks of Proposition 2 1/2.

Proposition 2 1/2 sets two limitations on the level of property taxes a community can levy. First, a community cannot levy more than 2.5% of the total full and fair cash value of all taxable real and personal property in the community, or \$25 per \$1000 of value. This limitation is referred to as the *levy ceiling*.

In addition, a community's levy is constrained in that it can only increase by a certain amount from year to year. The maximum amount a community can levy in a given year is its *levy limit*. The levy limit is calculated by taking the community's levy limit for the previous year and increasing it by:

- o 2.5% of the previous year's levy limit and;
- o the amount of certified new growth added to the community's property tax base resulting from new construction.

Proposition 2 1/2 allows a community, with voter approval, to levy above its levy limit or its levy ceiling on a temporary basis, as well as to increase its levy limit on a permanent basis. An override enables a community to increase its levy limit on a permanent basis by a specific dollar amount for costs that the community expects will continue into the future. An exclusion (debt or capital outlay expenditure), on the other hand, provides for a temporary increase in a community's levy limit and if necessary, its levy ceiling. An exclusion enables a community to assess taxes in excess of its levy limit or levy ceiling for the cost of capital projects.

An override cannot increase a community's levy limit above its levy ceiling. Override capacity is the maximum dollar amount for which a community can approve an override and is equal to a community's levy ceiling minus its levy limit:

Override Capacity = Levy Ceiling - Levy Limit

(In this calculation, any exclusions the community has voted should be excluded from the levy limit).

In other words, override capacity is the gap between the community's upper limit (its levy ceiling) and its annual limit (its levy limit).

FINDINGS

This FOCUS reports on current override capacity, utilizing communities' most recent levy limits and levy ceilings. Statewide override capacity is significant. The current statewide levy ceiling is **\$8.2 billion** and the current statewide levy limit is **\$4.07 billion**, resulting in statewide override capacity of **\$4.14 billion**. Current statewide override capacity is equal to **50.4%** of the statewide levy ceiling and **101%** of the statewide levy limit. In other words, more than half of the total levy ceiling of \$25/\$1000 is currently inaccessible to communities except through approval of override votes.

Furthermore, because levy limits increase at a much slower rate than levy ceilings, override capacity is growing. The levy ceiling and thus override capacity as well have thus increased dramatically, while levy limits have grown at a slower rate. The significant increases in override capacity reflect the escalating property values that Massachusetts has experienced over the past few years.

In light of this discussion, it can be seen that very few communities in fact tax at a rate of \$25 per \$1000 of value. To reach that level, communities would need to secure voter approval for overrides totaling the full amount of override capacity statewide, thereby doubling the current tax levy.

For the years FY85 through FY88, override capacity as a percent of the levy ceiling is shown below:

Fiscal Year	Override Capacity as % of Levy Ceiling
FY85	16%
FY86	27%
FY87	39%
FY88	45%

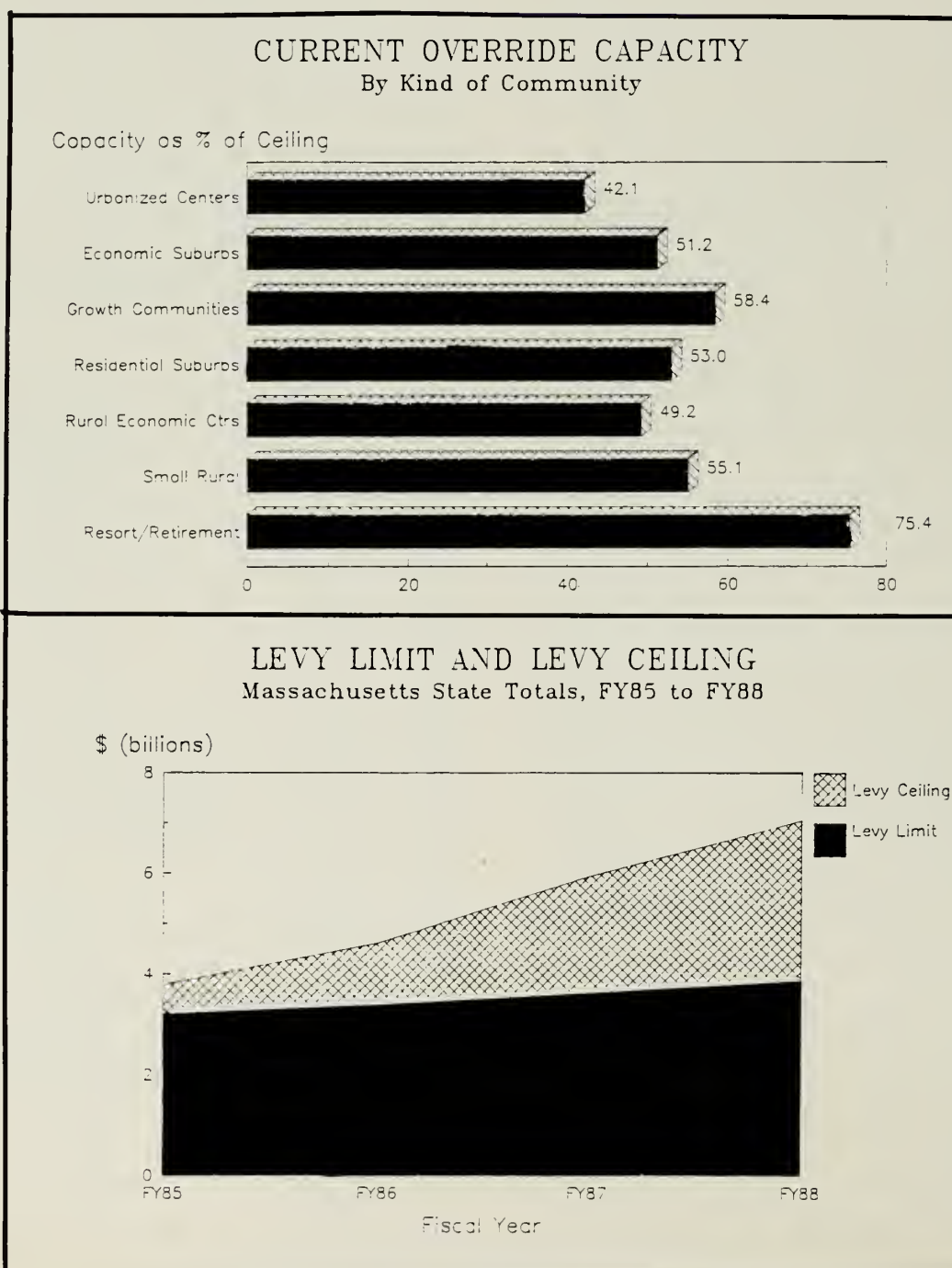
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Current override capacity varies by Kind of Community. Urbanized Centers show the lowest amount of override capacity as a percent of the levy ceiling (42.1%), while Resort/Retirement/Artistic communities show the largest amount of override capacity as a percent of the levy ceiling (75.4%).

The following graphs shows statewide override capacity and statewide levy limits, FY85 through FY88; and current override capacity as a percent of levy ceilings according to the Department of Education Kind of Community Classification. The following table lists, by community, levy limit, levy ceiling, override capacity, and override capacity as a percent of the levy ceiling.

Note: Current capacity uses either FY88 or FY89 levy limits and levy ceilings, whichever are available. These numbers reflect 257 communities with FY89 data and 94 communities with FY88 data.

This FOCUS was prepared by Debbie DePerri and Roger Hatch of the Municipal Data Bank and Leslie Kirwan and Julie Slavet of the Analysis Unit.



OVERRIDE CAPACITY

	LEVY	CELLING	OVERRIDE CAPACITY	CAP. CLING.		LEVY	CELLING	OVERRIDE CAPACITY	CAP. CLING.		LEVY	CELLING	OVERRIDE CAPACITY	CAP. CLING.
ABINGTON	FY89 7,150,545	17,928,650	10,778,105	60.1	CHICOPEE	FY89 25,627,386	34,504,250	8,876,864	25.7	HANCOCK	FY88 421,626	1,039,375	617,749	59.4
ACTION	FY89 17,866,871	42,140,500	25,273,629	58.6	CHILMARK	FY89 1,305,217	14,284,000	12,978,783	90.9	HANOVER	FY89 9,761,515	18,400,375	8,633,860	46.9
ACUSHNET	FY88 3,479,228	4,592,075	1,112,847	24.2	CLARKSBURG	FY88 599,656	694,348	99,692	14.4	HANSON	FY89 4,527,934	12,211,775	7,683,541	62.9
ADAMS	FY89 3,831,913	5,270,700	1,438,587	37.0	CLINTON	FY89 8,489,017	12,715,925	6,156,152	50.4	HARVARD	FY89 4,106,396	11,284,388	7,177,992	63.6
AGAWAM	FY89 16,548,088	29,002,475	12,454,387	42.9	COHASSET	FY89 8,489,017	14,790,050	6,301,033	42.6	HARVARD	FY89 4,106,396	11,284,388	7,177,992	63.6
ALFORD	FY89 352,053	1,018,400	666,347	65.4	COLRAIN	FY88 849,595	1,153,400	303,805	26.3	HARVICH	FY89 10,116,432	45,997,800	35,791,348	78.0
AMESBURY	FY89 9,156,168	17,023,200	7,869,032	46.2	CONCORD	FY89 21,501,721	38,679,100	17,177,339	44.4	MATTIETD	FY89 1,762,823	5,217,775	3,454,732	66.2
ANDOVER	FY88 11,379,831	22,308,725	10,928,894	49.0	CUMMINGTON	FY89 951,744	1,293,125	341,381	26.4	HAVERHILL	FY89 26,661,434	47,302,725	20,641,375	43.6
ARLINGTON	FY89 34,017,818	78,283,700	44,265,882	56.5	DALTON	FY88 3,699,108	4,618,650	919,542	19.9	HEATH	FY88 4,251,709	739,629	313,920	42.4
ASHBURNHAM	FY89 2,484,792	4,504,725	2,019,933	44.8	DAWVERS	FY89 22,819,497	55,057,850	32,160,353	58.4	HINCHAM	FY89 20,634,633	37,843,825	17,209,192	45.5
ASHFIELD	FY88 1,197,019	1,566,025	369,006	22.4	DARTMOUTH	FY88 18,160,746	25,476,450	7,313,704	28.7	HOLBROOK	FY88 5,954,880	22,711,725	1,422,845	6.0
ASHLAND	FY89 10,268,293	20,091,825	9,823,532	38.9	DEERFIELD	FY89 2,413,350	50,101,350	2,688,000	52.7	HOLLAND	FY89 8,458,067	27,111,450	13,454,583	60.8
ATHOL	FY89 3,218,541	9,684,600	6,466,059	60.8	DENNIS	FY89 9,516,435	50,482,200	40,905,765	81.0	HOLLAND	FY89 1,263,020	3,777,839	2,514,839	66.6
ATTLEBORO	FY89 18,725,564	33,993,100	15,267,535	44.9	DIGHTON	FY89 3,226,649	7,958,500	4,731,851	59.5	HOLLISTON	FY88 9,203,516	13,956,475	4,732,959	34.1
AUBURN	FY88 9,012,961	12,900,500	3,887,533	30.1	DOUGLAS	FY89 2,259,353	4,378,050	2,118,697	48.4	HOLYOKE	FY88 14,046,189	20,063,975	6,017,786	30.0
AVON	FY89 4,409,268	7,103,000	2,693,733	37.9	DOVER	FY88 5,321,169	11,542,700	6,221,531	53.9	HOPKINTON	FY89 3,824,123	7,762,675	3,938,552	50.7
AYER	FY88 3,144,936	8,337,892	5,192,956	62.6	DRACUT	FY89 13,478,227	28,388,025	14,909,798	52.5	HUBBARDSTO	FY89 1,227,763	3,630,472	2,402,709	66.2
BARNSTABLE	FY88 32,677,226	87,265,575	54,588,349	62.6	DUDLEY	FY88 2,359,228	5,998,100	3,638,812	60.7					
BARRE	FY89 1,645,965	4,412,014	2,766,049	62.7	DUNSTABLE	FY89 1,158,540	2,607,675	1,449,135	55.6	HUDSON	FY89 12,053,259	25,990,125	13,936,886	53.6
BECKET	FY88 1,111,063	2,246,475	1,135,412	50.5	DUNBURY	FY89 13,831,869	30,219,975	14,382,106	47.6	HULL	FY88 7,247,715	9,789,450	2,551,735	26.0
BEDFORD	FY89 15,858,410	31,332,650	15,469,240	49.4	E. BRIDGEWATER	FY88 9,651,127	17,192,725	4,533,485	20.0	HUNTINGTON	FY88 8,996,872	16,924,200	9,924,200	6.0
BELCHERTOWN	FY89 7,164,962	19,146,175	11,981,213	62.6	E. BROOKFIELD	FY89 9,651,311	13,158,050	3,504,739	26.6	IPSWICH	FY89 8,425,167	24,752,225	16,300,058	65.9
BELLINGHAM	FY89 23,190,954	36,311,900	13,120,946	36.1	EASTHAMPTON	FY89 5,185,939	8,732,798	2,913,009	33.4	KINSTON	FY89 5,819,740	14,451,950	8,633,210	59.7
BELMONT	FY89 1,390,536	6,063,000	4,439,464	72.8	EASTHAMPTON	FY88 5,812,371	8,732,798	2,913,009	33.4	LAKEVILLE	FY89 2,903,754	6,592,325	3,688,571	60.9
BERLIN	FY89 1,384,868	2,468,175	1,131,307	49.5	EASTON	FY88 1,115,375	16,228,375	1,115,375	31.5	LANESBORO	FY89 2,169,082	5,779,325	910,143	28.9
BERNSTADT	FY89 1,002,303	2,460,032	1,457,729	59.3	EGREMONT	FY89 4,916,481	27,710,650	2,192,169	82.3	LAURENCE	FY88 2,087,510	52,707,732	31,720,222	60.2
BERLY	FY89 28,453,922	48,157,475	19,701,553	40.9	EGREMONT	FY89 1,120,266	2,665,050	1,544,764	58.0	LEE	FY89 3,752,448	6,175,675	2,423,227	39.2
BILLERICA	FY89 30,629,888	61,166,550	30,536,662	49.9	ERVING	FY89 1,802,290	3,742,025	1,939,735	51.8	LEICESTER	FY88 3,100,581	6,599,000	3,498,419	53.0
BLACKSTONE	FY89 3,410,612	7,239,950	3,829,733	52.9	ESSEX	FY89 2,132,721	8,668,984	2,132,721	31.5	LEINIX	FY89 4,460,158	8,581,250	4,121,092	48.0
BLANDFORD	FY89 6,629,857	1,615,009	985,152	61.0	EVRETT	FY89 8,774,333	55,322,575	52,448,452	40.4	LEONISTON	FY89 20,527,732	40,524,125	19,995,353	49.3
BOLTON	FY89 2,635,255	5,671,050	3,035,753	55.5	FAIRHAVEN	FY89 27,440,334	64,375,100	27,440,334	57.4	LEVINGTON	FY89 36,616,420	74,351,250	37,774,830	50.8
BOSTON	FY89 84,060,534	885,841,800	401,781,266	45.4	FALL RIVER	FY89 1,802,290	3,742,025	1,939,735	51.8					
BOURNE	FY89 10,128,609	39,506,095	29,377,486	74.4	FALMOUTH	FY89 26,557,996	73,045,575	46,487,619	63.6	LENDEN	FY89 4,08,212	561,175	152,963	27.3
BOXBOROUGH	FY89 3,260,180	8,935,430	3,699,270	63.6	FITCHBURG	FY89 15,451,613	36,969,266	21,511,653	58.2	LINCOLN	FY89 6,073,794	18,593,875	12,520,081	67.3
BOXFORD	FY89 5,152,812	16,922,525	11,769,713	69.6	FLORIDA	FY89 7,722,601	11,113,600	3,851,999	34.7	LITTLETON	FY88 5,871,280	9,945,325	4,074,045	41.0
BOYLSTON	FY89 2,353,736	4,400,675	2,046,939	46.5	FOXBOROUGH	FY89 10,028,947	23,515,625	13,486,678	54.4	LONEMADDO	FY89 13,570,683	24,220,850	10,650,167	44.0
BRAIN TREE	FY89 28,720,051	58,737,775	30,017,724	51.1	FRAMINGHAM	FY89 53,902,618	112,868,975	58,966,357	52.2	LOWELL	FY89 45,809,506	71,035,450	25,225,944	35.5
BREWSTER	FY89 7,829,799	21,507,918	23,678,119	75.1	FRANKLIN	FY89 13,359,596	26,879,050	13,519,454	50.3	LUDLOW	FY88 9,048,987	13,190,575	4,141,588	31.4
BRIDGEWATER	FY89 8,825,291	20,434,750	11,609,455	57.8	FREETOWN	FY89 4,824,613	12,514,950	7,487,947	61.4	LUNEBURG	FY89 5,112,102	7,152,600	2,040,498	28.5
BRIEFIELD	FY89 1,446,492	2,262,350	1,815,858	32.1	GARDNER	FY89 7,620,450	12,161,650	4,541,500	37.3	LYNN	FY89 44,614,830	73,969,900	26,345,070	39.7
BROOKFIELD	FY89 4,502,022	72,944,925	27,916,203	38.3	GAY HEAD	FY89 3,489,469	10,512,263	2,022,794	60.8	LYNNFIELD	FY89 10,997,232	18,287,800	9,009,548	48.2
BROOKTON	FY89 1,213,415	2,684,662	1,471,214	54.8	GEORGETOWN	FY89 725,342	967,925	242,583	25.1	MANCHESTER	FY88 5,874,670	10,680,850	4,806,180	45.0
BROOKLINE	FY88 56,601,162	111,535,800	54,935,638	49.3	GILL	FY89 23,796,468	44,184,750	20,388,262	46.1	MANFRIED	FY89 12,174,445	18,581,750	9,291,568	44.6
BURLINGTON	FY89 30,404,228	57,782,100	27,378,872	47.4	GOSMUND	FY88 508,808	1,026,025	503,220	71.4	MARLBOROUGH	FY89 30,935,009	56,472,800	25,531,791	45.2
CAMBRIDGE	FY89 18,522,389	45,523,825	27,001,434	59.3	GRAFTON	FY89 2,299,568	20,073,400	12,774,832	63.6	MARLBOROUGH	FY89 30,935,009	56,472,800	25,531,791	45.2
CANTON	FY88 56,601,162	111,535,800	54,935,638	49.3	GILL	FY89 2,299,568	20,073,400	12,774,832	63.6	MARLBOROUGH	FY89 30,935,009	56,472,800	25,531,791	45.2
CARLISLE	FY89 4,990,362	13,568,574	6,578,212	63.2	GRANBY	FY89 2,522,782	6,044,300	3,521,515	58.3	MARSHFIELD	FY89 15,803,784	32,983,525	17,179,741	52.1
CARVER	FY88 6,097,687	12,929,625	6,195,938	50.4	GRANVILLE	FY89 884,044	1,953,789	1,071,748	54.8	MASHEE	FY89 8,956,145	12,070,233	57.4	52.1
CHARLEMONT	FY89 6,682,311	810,775	128,464	15.8	GAT. BARRING	FY88 5,014,983	6,330,075	1,315,092	20.8	MATTAPOISET	FY89 4,952,066	8,621,011	63.5	63.5
CHARLTON	FY89 3,014,895	7,820,950	4,806,055	61.5	GREENFIELD	FY89 4,580,763	10,500,125	5,919,362	56.4	MEDFIELD	FY89 8,519,189	20,643,350	12,124,161	58.7
CHAUDHAM	FY89 7,039,538	44,742,200	37,702,662	84.3	GROTON	FY89 2,522,782	6,044,300	3,521,515	58.3					
CHELSEA	FY88 23,728,791	37,905,125	14,176,334	37.4	HADELEY	FY89 2,763,824	7,411,150	4,647,498	62.7	MEDFORD	FY89 35,022,420	80,532,825	45,510,405	56.5
CHESTER	FY88 11,462,549	13,902,300	2,466,751	17.7	HADLEY	FY89 2,763,824	7,411,150	4,647,498	62.7	MEDWAY	FY89 7,164,575	17,542,524	9,310,405	53.1
CHESTER	FY88 787,973	1,823,550	1,035,577	56.8	HALLFAX	FY88 2,366,554	4,261,525	1,392,975	32.7	MELROSE	FY89 18,183,451	35,725,975	17,542,524	49.1
CHESTER	FY88 510,445	946,405	465,960	47.7	HAMPTON	FY89 3,775,619	15,994,250	2,448,571	63.9	MERRIMAC	FY88 2,126,824	4,702,875	2,490,779	52.2
CHESTERFIELD	FY88 617,786	946,405	465,960	47.7	HAMPTON	FY89 3,775,619	15,994,250	2,448,571	63.9	MERRIMAC	FY88 2,126,824	4,702,875	2,490,779	52.2

OVERRIDE CAPACITY

	LEVY LIMIT	CEILING	OVERRIDE CAPACITY	CAP. AS % CLNG.	LEVY LIMIT	CEILING	OVERRIDE CAPACITY	CAP. AS % CLNG.	LEVY LIMIT	CEILING	OVERRIDE CAPACITY	CAP. AS % CLNG.
METHUEN	FY89 25,198,936	51,504,100	26,305,164	51.1	FY89 2,569,084	4,808,837	2,239,753	46.6	FY88 3,970,537	7,030,500	3,059,963	43.5
MIDDLEBORO	FY89 9,409,147	16,989,975	7,580,828	44.6	FY89 6,096,937	11,095,000	4,998,063	45.0	FY89 3,365,475	903,950	538,475	59.6
MIDDLEFIELD	FY89 273,533	390,150	116,617	29.9	FY89 60,424,913	95,985,950	35,561,037	37.0	FY89 2,320,545	5,525,875	3,205,330	58.0
MIDDLETON	FY89 4,314,954	12,122,625	7,807,671	64.4	FY89 18,554,795	34,866,425	16,311,630	46.8	FY88 4,333,930	5,435,925	1,101,995	50.3
MILFORD	FY89 15,616,898	38,161,625	22,544,727	59.1	FY89 5,557,248	15,281,200	9,723,952	63.6	FY89 20,219,345	36,857,100	16,637,755	45.1
MILLBURY	FY89 5,918,652	13,702,600	7,783,948	56.8	FY88 17,171,936	32,931,425	15,759,489	47.9	FY88 689,020	860,875	171,855	20.0
MILLS	FY89 4,948,406	9,951,950	5,003,544	50.3	FY88 4,949,752	8,309,525	4,159,773	43.1	FY89 15,428,898	30,103,625	14,674,727	48.7
MILLVILLE	FY88 4,789,642	1,791,155	1,001,513	55.9	FY89 27,135,015	48,075,350	20,940,733	43.6	FY88 43,675,472	63,050,500	19,375,028	30.7
MILTON	FY89 19,969,697	45,292,125	25,322,428	55.0	FY89 1,253,936	2,414,050	1,157,622	48.0	FY89 3,908,907	7,145,050	3,236,143	45.3
MONROE	FY89 183,197	203,625	122,428	10.0	FY89 2,253,936	4,193,739	1,939,803	46.3	FY89 12,152,322	23,539,225	11,386,923	48.4
MONSON	FY88 2,872,164	5,313,980	2,441,816	46.0	FY89 7,844,290	18,421,200	10,576,910	57.4	FY89 1,574,515	2,546,500	971,985	38.2
MONTAGUE	FY89 4,151,924	9,076,375	4,924,649	54.3	FY88 5,110,330	11,071,050	5,660,720	51.1	FY89 1,574,515	2,546,500	971,985	38.2
MONTEREY	FY89 2,588,975	1,817,137	1,137,702	70.2	FY89 1,435,012	4,539,825	3,104,813	68.4	FY88 267,924	470,900	202,944	36.0
MONTGOMERY	FY88 466,739	582,725	115,986	19.9	FY89 2,633,388	7,189,580	4,553,992	63.3	FY89 27,564,872	59,622,275	32,057,403	53.8
MT. WASHINGTON	FY89 96,033	682,210	586,177	85.9	FY89 4,184,402	8,599,650	4,441,248	51.3	FY89 14,281,280	32,376,125	18,088,845	55.9
NAHANT	FY89 3,156,337	7,362,725	4,206,388	57.1	FY88 840,138	929,775	89,637	9.6	FY88 5,838,566	14,314,630	8,476,064	59.2
NANTUCKET	FY89 12,176,051	89,828,700	77,652,649	86.4	FY89 1,949,441	3,595,075	1,645,634	45.8	FY89 28,677,754	81,703,950	53,026,196	64.9
NATICK	FY88 25,508,534	39,699,325	14,190,791	35.7	FY89 30,438,890	61,243,300	30,804,410	50.3	FY88 2,638,251	9,749,075	7,154,824	72.9
NEEDHAM	FY89 26,189,552	77,613,450	48,423,898	62.4	FY89 3,889,618	16,746,625	10,857,007	73.6	FY89 4,498,351	9,652,725	7,154,824	72.9
NEW ASHFORD	FY89 146,263	419,575	273,312	65.1	FY88 723,500	1,568,936	845,436	53.9	FY89 3,036,837	7,583,200	4,550,363	60.0
NEW BEDFORD	FY88 33,601,368	33,601,368	0	0.0	FY89 13,370,244	31,467,500	18,097,256	57.5	FY89 4,320,731	8,067,525	3,746,794	46.4
NEW BRAINTRY	FY89 466,870	1,239,453	772,583	62.3	FY88 248,520	33,908,100	15,390,450	45.4	FY89 5,061,908	11,052,675	5,990,767	54.2
NEW MARLBOROUGH	FY88 833,058	2,585,850	1,752,792	67.8	FY89 3,711,778	371,778	123,258	33.2	FY89 1,605,886	2,812,500	1,200,614	42.9
NEW SALEM	FY89 702,425	4,702,425	4,093,281	58.3	FY89 14,198,948	36,293,475	21,374,527	58.9	FY89 2,841,217	7,717,800	2,976,525	63.2
NEWBURY	FY89 3,438,064	12,203,325	8,765,281	71.8	FY89 10,198,922	20,088,000	9,889,078	49.2	FY89 18,936,335	26,368,250	7,331,915	28.2
NEWBURYPORT	FY89 13,019,645	24,171,750	11,152,105	46.1	FY88 11,562,714	16,003,975	4,441,261	27.8	FY88 1,002,055	1,893,350	891,295	47.1
NEUTON	FY89 10,745,903	17,192,250	70,749,347	41.3	FY89 1,016,082	6,237,475	4,341,353	69.4	FY89 2,315,935	8,426,975	6,113,040	72.5
NORFOLK	FY89 3,370,994	14,355,025	8,984,031	62.6	FY89 994,478	1,376,500	381,824	39.2	FY89 15,862,398	36,599,200	20,793,802	56.7
NORTH ADAMS	FY89 5,168,219	5,640,700	4,742,481	8.4	FY89 5,063,810	10,031,850	4,968,040	49.5	FY88 19,420,092	22,213,722	2,793,630	12.6
N. ANDOVER	FY89 16,400,088	49,903,808	33,503,720	67.1	FY89 1,972,232	6,614,700	4,642,468	70.2	FY89 12,738,195	24,082,525	11,344,330	47.1
N. ATTLEBORO	FY89 12,922,675	21,877,675	8,954,775	40.9	FY89 15,990,787	41,433,200	25,442,583	61.4	FY89 845,483	1,984,075	1,138,592	57.4
N. BROOKFIELD	FY89 1,744,272	4,555,729	2,811,457	61.7	FY88 280,112	1,167,700	387,588	33.2	FY89 2,903,994	9,604,125	6,700,131	69.8
N. DARTMOUTH	FY89 9,846,342	22,723,550	12,877,720	56.7	FY88 17,737,557	26,243,925	8,506,795	32.4	FY89 15,539,437	35,193,150	19,653,774	55.8
NORTHAMPTON	FY88 13,784,871	22,653,250	9,870,579	33.3	FY88 3,802,325	49,377,100	13,574,775	27.5	FY89 7,549,601	16,380,375	8,830,774	53.1
NORTHBORO	FY89 10,757,935	23,777,000	13,019,065	54.3	FY88 7,502,680	10,186,550	2,932,670	28.8	FY89 16,332,616	34,810,200	18,477,584	53.1
NORTHERIDGE	FY89 4,993,362	13,394,122	8,400,760	62.7	FY89 2,157,742	3,711,575	1,553,833	41.9	FY89 32,639,390	59,912,100	27,272,710	45.5
NORTHFIELD	FY89 1,652,925	3,589,575	1,936,650	54.0	FY89 6,732,474	18,852,800	12,120,337	64.3	FY89 888,014	1,728,500	840,486	48.6
NORTON	FY89 7,893,863	17,111,650	9,217,787	53.9	FY89 5,974,866	16,370,965	10,396,059	63.5	FY89 6,536,957	11,086,725	4,549,768	41.0
NORWELL	FY89 9,725,986	20,793,300	11,067,314	53.2	FY89 4,068,342	8,608,604	4,540,262	52.7	FY89 8,689,033	19,992,875	11,303,842	56.5
NORWOOD	FY89 21,693,086	52,321,975	30,828,889	58.5	FY89 3,272,512	11,084,400	7,811,888	70.5	FY88 1,163,924	1,605,575	441,651	27.5
OAK BLUFFS	FY89 4,297,187	12,379,925	8,082,738	65.3	FY88 60,977,661	67,270,875	6,293,214	9.4	FY89 4,899,343	10,590,175	5,690,832	53.7
OAKHAM	FY89 668,255	1,475,975	807,720	54.7	FY88 3,710,612	5,365,875	1,655,283	30.8	FY89 18,137,376	42,103,250	23,965,874	56.9
ORANGE	FY88 2,231,788	2,809,675	577,887	20.6	FY89 2,452,646	5,079,875	2,627,229	51.7	FY89 3,008,753	6,489,375	3,480,622	53.6
ORLEANS	FY89 5,317,204	18,116,925	12,799,721	70.7	FY89 16,575,863	36,067,450	19,491,587	54.0	FY89 22,891,770	39,778,525	16,886,755	42.5
OTTIS	FY89 1,263,337	6,121,418	4,858,081	79.4	FY89 18,548,266	32,762,075	14,213,809	43.4	FY89 3,365,223	1,026,675	661,452	64.4
OXFORD	FY89 5,513,096	9,433,375	3,920,279	41.6	FY89 4,800,359	13,001,725	8,201,366	63.1	FY89 8,300,645	23,191,475	14,890,830	64.2
PALMER	FY88 4,862,253	7,786,031	3,923,608	37.6	FY89 4,972,162	9,090,825	4,118,488	45.3	FY89 28,478,118	71,979,625	43,501,503	60.4
PAXTON	FY89 2,384,333	6,302,875	3,918,542	62.2	FY88 16,901,615	22,999,825	5,498,210	24.5	FY89 79,625,797	150,266,350	70,640,553	47.0
PEABODY	FY89 34,721,563	78,178,550	43,450,987	55.6	FY89 1,032,936	2,583,400	1,550,464	60.0	FY89 615,968	1,239,000	623,032	50.3
PELHAM	FY89 942,893	1,273,425	330,532	26.0	FY89 3,190,477	8,681,775	5,491,298	63.3	FY88 5,249,503	7,442,325	2,192,822	29.5
PEMBROKE	FY89 9,997,445	23,567,575	13,570,130	57.6	FY89 12,888,339	26,900,400	14,012,061	52.1	FY89 15,208,515	74,234,775	59,026,260	79.5
PEPPERELL	FY89 4,993,947	9,924,575	4,330,628	49.7	FY89 8,711,722	13,238,850	4,667,128	35.3	MASS			
PERU	FY89 449,570	615,275	168,705	27.4	FY88 17,110,797	22,048,275	4,937,478	28.3	4070951541		4142259026	50.4
PETERSHAM	FY88 692,820	1,002,975	310,153	30.9	FY88 1,312,766	2,776,550	1,463,584	52.7				
PHILLIPSTON	FY89 399,300	2,148,425	1,749,125	81.4	FY89 18,165,620	40,392,650	22,227,030	55.0				
PITTSFIELD	FY89 25,212,928	36,059,800	10,846,872	30.1	FY88 4,913,474	11,529,853	6,616,379	57.4				
PLAINFIELD	FY88 464,112	728,963	264,851	36.3	FY89 266,397	1,372,050	1,105,653	80.6				
PLAINVILLE	FY89 4,252,376	9,469,725	5,217,349	55.1	FY89 4,744,105	13,431,325	8,691,230	64.7				
PLYMOUTH	FY89 40,207,529	71,124,250	30,916,721	43.5	FY89 4,055,364	10,301,450	6,246,086	60.6				
PLYMPTON	FY89 1,669,558	3,063,975	1,394,417	45.5	FY89 2,255,442	9,860,750	7,605,308	77.1				

FY 89 Massachusetts Municipal Bond Issues

42	HOLYOKE	4,120,000	7.1630	15	1/15	1/12	Y	Y		Baa	GEN OBL
43	HOPKINTON	5,000,000	6.5881	10	8/15	8/03	Y	Y	5.50	A1	GEN OBL
44	HUDSON	3,655,000	7.3442	15	8/15	8/03	Y	Y	7.50	Baa	MUN PUR
45	LAKEVILLE	855,000	7.4404	17	1/01	12/07	Y	Y		Baa	GEN OBL
46	LEXINGTON	10,000,000	6.6802	10	12/01	11/29	Y	Y		Aaa	LAND ACQ
47	LINCOLN-SUDBURY RSD	750,000	6.0997	5	8/15	7/28	Y	Y		Aa	GEN OBL
48	LITTLETON	1,335,000	6.3371	10	8/01	7/13	Y	Y	4.00	A1	GEN OBL
49	MALDEN CITY	5,000,000	6.7812	10	12/01	12/06	Y	Y		A/A	MUN PUR
50	MARLBOROUGH CITY	4,965,000	6.2847	10	7/15	7/06	Y	Y		A1	GEN OBL
51	MASHPEE	5,080,000	6.4779	10	7/15	6/28	Y	Y		A	GEN OBL
52	MATTAPOISETT	1,645,000	7.1124	10	3/15	3/09	Y	Y	5.33	A	GEN OBL
53	MEDFIELD	3,670,000	6.9274	15	8/01	8/02	Y	Y		A1	MUN PUR
54	MEDFORD CITY	3,650,000	6.9099	15	7/15	7/12	Y	Y	7.83	A	GEN OBL
55	MELROSE CITY	4,000,000	6.2976	8	11/15	11/02	Y	Y		A	GEN OBL
56	MILFORD	2,445,000	6.4962	10	10/15	10/19	Y	Y	5.00	A	GEN OBL
57	MONSON	870,000	7.1326	15	8/15	8/11	Y	Y		A	GEN OBL
58	NORFOLK COUNTY	1,920,000	6.3959	10	8/15	8/09	Y	Y		Aaa	GEN OBL
59	NORTH ANDOVER	5,000,000	6.9178	15	2/01	1/31	Y	Y	5.83	A1	GEN OBL
60	NORTH MIDDLESEX RSD	7,200,000	7.0584	19	10/01	10/16	Y	Y		A	SCHOOL
61	ORLEANS	2,800,000	6.8768	10	2/15	2/09	Y	Y	5.00	A1	LAND ACQ
62	QUINCY CITY	4,245,000	6.5251	10	10/01	10/06	Y	Y		A	MUN PUR
63	READING	4,385,000	6.4249	10	11/15	11/01	Y	Y	5.33	A+/A1	GEN OBL
64	ROCHESTER	3,795,000	7.2259	19	3/01	2/09	Y	Y	9.25	A	SCHOOL
65	ROCHESTER	3,320,000	7.2882	20	4/01	2/09	Y	Y	10.00	A	SCHOOL
66	ROCKLAND	2,250,000	6.5521	10	7/15	7/20	Y	Y	5.50	A	WATER
67	SANDWICH	30,400,000	7.0064	20	11/01	10/27	N	Y		A	SCHOOL
68	SHARON	1,305,000	6.2348	9	8/01	7/14	Y	Y	3.33	A1	GEN OBL
69	SOUTH HADLEY	1,400,000	6.3638	8	8/01	7/19	Y	Y	4.50	Baa	SCHOOL
70	SPENCER	1,755,000	6.5908	10	8/01	7/28	Y	Y		A	MUN PUR
71	SPRINGFIELD CITY	23,515,000	6.9337	19	11/01	10/21	N	Y	7.33	A	MUN PUR
72	STOUGHTON	5,000,000	6.8327	10	12/15	12/15	Y	Y		A1	GEN OBL
73	STOW	1,625,000	7.1039	19	8/01	7/13	Y	Y		A1	GEN OBL
74	STURBRIDGE	4,720,000	7.0498	15	12/15	12/08	Y	Y		A	MUN PUR
75	SUNDERLAND	4,085,000	6.9240	18	11/15	11/01	Y	Y		A	SCHOOL
76	SUTTON	8,500,000	6.5809	10	11/15	11/15	Y	N	5.50	A	SCHOOL
77	SWAMPSCOTT	2,160,000	6.6992	5	1/15	1/10	Y	Y	2.25	A1	GEN OBL
78	TOWNSEND	1,635,000	6.9858	17	10/15	10/13	Y	Y	8.67	A	PUB SFT
79	UNIV MASS/BOSTON	18,610,000	7.6528	12	8/15	8/31	N	Y		A+(SP)	CERT PART
80	UXBRIDGE	5,000,000	7.0472	19	11/15	11/09	Y	Y		A	GEN OBL
81	WALPOLE	1,720,000	6.3484	10	7/15	7/07	Y	N		A1	GEN OBL
82	WALTHAM CITY	3,000,000	6.4269	5	2/01	1/26	N	Y	3.00	Aa	GEN OBL
83	WELLESLEY	2,000,000	6.5994	10	12/15	12/14	Y	Y		Aaa	GEN OBL
84	WESTFIELD CITY	5,825,000	6.5078	10	7/15	7/12	Y	Y		A	GEN OBL
85	WESTMINSTER	3,100,000	7.2723	15	3/15	3/02	Y	Y	6.67	A	GEN OBL
86	WESTON	935,000	6.1893	9	8/15	8/02	Y	Y		Aa1	MUN PUR
87	WHITMAN	1,750,000	6.8299	13	11/15	11/09	Y	Y		Baa	GEN OBL
88	WINCHESTER	1,230,000	6.2657	10	8/15	7/26	Y	Y	5.33	Aaa	T.H. REM
89	WORCESTER CITY	8,825,000	6.3029	10	11/01	11/03	Y	Y	4.50	A	GEN OBL
90	WRENTHAM	4,765,000	7.2402	20	9/01	8/30	Y	N		A	GEN OBL
91	YARMOUTH	3,180,000	6.9955	15	12/15	11/29	Y	Y		A1	GEN OBL

THE LATEST IN TECHNICAL ASSISTANCE

MILLIS: FINANCIAL MANAGEMENT REVIEW

A management consulting team from the Division's Bureaus of Accounts, Local Assessment, and Municipal Data Management and Technical Assistance met with town officials to review the town's financial management organization. During the process of the review, interviews were conducted with the Town Accountant, Treasurer, Collector, Boards of Selectmen and Assessors, members of the Finance Committee and the Board of Public Works, the Administrative Assistant, and Superintendent of Schools. The review resulted in a number of recommendations relating to debt policy and capital planning, budgeting, and communication and coordination among local officials.

COHASSET: REVENUE AND EXPENDITURE FORECAST

At the request of the Board of Selectmen, the Municipal Data Management and Technical Assistance Bureau completed a five year Revenue and Expenditure forecast for the town of Cohasset. The forecast projects the costs of maintaining Cohasset's current level of municipal services through FY94. In addition, the analysis also projects the town's potential debt service requirements needed to fund future capital projects.

MUNICIPAL FISCAL CALENDAR

MAY 1: *Accountant/Treasurer notifies assessors of the amount of debt due in the next fiscal year* As required by MGL Chapter 44, Section 28, the accountant (or Treasurer) must notify the Assessors of all debt due in the next fiscal year, because the town is required to pay its debts, appropriated or not. This information is used to complete the Tax Rate Recapitulation Sheet.

Because all debt service must be paid, any debt service not covered by town meeting appropriations is added to the "Other Local Expenditures" category, found on page 2 of the Tax Rate Recapitulation Sheet. It is important that the Assessors have this information to avoid setting a tax rate lower than required, thereby raising insufficient revenue to cover the town's expenditures.

MAY 15: *Treasurer submits to the Bureau of Accounts the Third Quarter Reconciliation of Cash* (due 45 days after the end of the quarter).

MAY 15: *The Department of Revenue submits to Assessors the Certification of telephone and telegraph company valuations.*

MAY 19: *Municipal Treasurer submits to the County Treasurer the payment of second half of county tax.*

REPAIR PLATE USAGE MOST FLAGRANT ABUSE

Each month, *City and Town* publishes what the Division of Local Services determines to be the incidence of the most flagrant abuse of repair plates on a luxury motor vehicle which was discovered during the preceding month. Each report relates the excise amount for which such a vehicle would be liable were the car to have been properly taxed over the first five years of its life. Because of the DLS's program, much of the otherwise lost revenue will be recovered on the particular vehicle by the municipality where the vehicle is principally garaged.

May's selection:

1988 Rockwood Motor Home

Location: Auto Repair Facility
Whately, MA

Manufacturer's List Price \$64,870.00
Five Year Excise Liability \$3,648.94

CITY & Town, a publication of the Massachusetts Department of Revenue's Division of Local Services, is published 11 times per year. The Division is responsible for oversight and assistance to cities and towns in achieving equitable property taxation and efficient fiscal management.

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CITY & Town



A monthly publication of the Massachusetts Department of Revenue's
Division of Local Services

Stephen W. Kidder
Commissioner

Edward J. Collins, Jr.
Deputy Commissioner

"WELCOME STRANGER" ASSESSMENT PRACTICE INVALIDATED

Can full and fair market values be unfair? This is the crux of the United States Supreme Court's decision in the case *Allegheny Pittsburgh Coal Company et. al. v. County Commission of Webster County, West Virginia*. At issue was the county's "Welcome Stranger" assessing practice. The Court unanimously held that a county property tax assessment scheme which resulted in gross disparities in the assessed values of generally comparable properties violated the Equal Protection Clause of the U.S. Constitution.

The Court found that the assessor in Webster County, West Virginia had systematically and intentionally discriminated among properties in her valuation methodology. Specifically, she valued properties that had recently been sold on the basis of their sales price, while for comparable properties that had not recently been sold she used a general trending methodology. The Court held that trending in itself is not discriminatory; the result was discriminatory, however, in that the factors the assessor used produced values that were between 8 and 35 times lower than those placed on the sold properties. In one instance, it would have taken 500 years for the county's adjustment policy to equalize the assessments. These differences could not be explained by classification among types of property since West Virginia law does not provide for this. Nor were the disparities explainable by differing characteristics of the properties in question or by a time lag in applying an otherwise uniform methodology.

The Supreme Court held that "the fairness of one's allocable share of the total property tax burden can only be meaningfully evaluated by comparison with the share of other(s) similarly situated relative to their property holdings." In other words, despite the fact that the higher values were consistent with market value they were not in fact *fair* if comparable properties were deliberately and systematically valued much lower.

In this decision, the Court overturned a ruling by the West Virginia State Supreme Court of Appeals. That ruling had stated that since the petitioners' properties were valued at their full and fair market value the record did not show intentional and systematic discrimination. By extension, the remedy would be limited to seeking to have the undervalued properties brought up into line with their full and fair value.

The Supreme Court, in contrast, ruled that the equal protections and tax fairness provided under the U.S. Constitution demand that like properties be valued comparably, and that it is not sufficient to direct those who have suffered discrimination to seek higher values for others in the same class. Instead, the burden must fall upon the County to take steps to eliminate its discriminatory practices. The appropriate course would be to bring the lower values up into line with full and fair market value rather than to reduce the disproportionately high assessments to bring them into line with the lower values, which is what the petitioners wanted.

ALMOST THE SPEED OF LIGHT

The Division of Local Services has recently completed the installation of facsimile machines in our Boston and Springfield offices and is in the process of installing one in Worcester. Communities with "faxing" capabilities no longer have to be slaves to the postal service when it comes to getting Recap Sheets, Free Cash (Unrestricted Fund Balance) schedules and other time sensitive documents submitted for approval or certification. Many communities are already enjoying this new capability... we invite yours to do the same! Our fax machine numbers are: Boston - 617-727-6432, Springfield - 413-784-1034. Watch CITY & Town for word on the Worcester Office's facsimile machine installation.

FY 89 TRENDS IN BOND SALES

Between July 1 and March 7, 1989, eighty-eight bonds issued by the Cities, Towns and Districts of the Commonwealth totaled \$440,674,000. This does not include bonds issued by the Commonwealth of Massachusetts, hospitals, state universities, and other state agencies.

During 1988 several Massachusetts communities received upgraded ratings from Moody's Investors Service. Upgraded were the City of Boston, several state agencies and colleges, the towns of Boxborough, Easton, Hopkinton, Littleton, Mashpee, Stoughton, Stow and West Newbury, and the Cities of Fall River, Fitchburg, Malden, Marlborough, Quincy and Salem. Of the six downgrades in Massachusetts, five involved hospital debt.

Although long-term interest rates on bond issues have not risen nearly as rapidly as short-term rates, recent issues are averaging around fifty basis points higher than they were at the beginning of the fiscal year.

All eighty-eight of the bond issues have been "book-entry" bonds. Under the book-entry system of bond issuance, ownership certificates are replaced with computer files. Only one piece of paper is retained for each maturity, which lists all investors in each issue. Book-entry issuance is cost-effective because the process is automated. This saves money on the cost of bond printing as well as registration and transfer costs.

Virtually all of the bonds were issued as competitive sales rather than negotiated sales. Two exceptions are the Commonwealth and the City of Boston, both of which generally use negotiated sales for their bond issues.

The data below were compiled by George Zoukee of the Bureau of Accounts. If you have any questions or would like more information, please contact Mr. Zoukee or Allan Tosti, Assistant Director, Bureau of Accounts at 727-2300.

FY 89 Massachusetts Municipal Bond Issues

#	MUNICIPALITY	AMOUNT \$	RATE %	# YEARS	ISSUE DATE	SALE DATE	BANK QUAL	BOOK ENTRY	AVG LIFE	MOODY RATING	PURPOSE
1	ABINGTON	\$ 3,225,000	6.9424%	15	7/15	7/28	Y	Y		A	MUN PUR
2	ADAMS FIRE DISTRICT	885,000	7.1175	19	11/15	11/15	Y	Y		A	MUN PUR
3	AGAWAM	4,135,000	6.7474	15	10/01	10/11	Y	Y		A	MUN PUR
4	ANDOVER	2,950,000	6.3324	10	7/15	6/30	Y	Y		Aa	GEN OBL
5	ARLINGTON	2,965,000	6.4839	5	12/15	11/30	Y	Y		Aa	GEN OBL
6	BELLINGHAM	4,300,000	7.1356	15	1/01	1/05	Y	Y	7.00	A	GEN OBL
7	BELLINGHAM	2,000,000	7.1413	15	2/01	1/05	Y	Y	6.83	A	GEN OBL
8	BILLERICA	4,720,000	7.4540	20	3/01	2/28	N	Y	9.50	A1	GEN OBL
9	BOSTON CITY	8,984,000	5.3-6.4	6	7/15	7/15	N	Y		AA/Aa1	CERT PART
10	BOSTON CITY	65,000,000	7.3403	20	3/01	3/02	N	Y		A/A	GEN OBL
11	BOURNE	3,700,000	7.2438	20	12/15	11/22	Y	Y	9.17	A	GEN OBL
12	BOXBOROUGH	2,155,000	6.2884	10	11/15	11/03	Y	Y	4.83	A1	GEN OBL
13	BOXFORD	4,130,000	6.2023	10	11/15	11/03	Y	Y		Aa	SCHOOL
14	BREWSTER	5,000,000	7.0745	15	8/15	8/18	Y	Y	7.75	A	GEN OBL
15	CHELMSFORD	2,000,000	6.0400	4	7/15	6/29	N	Y		A1	MUN PUR
16	CHELMSFORD	8,000,000	6.8406	10	2/15	2/02	N	Y	5.50	A1	SEWER
17	CHICOPEE CITY	2,500,000	6.3883	10	7/15	6/30	Y	Y		A	GEN OBL
18	CLINTON	3,330,000	6.8413	10	2/15	2/08	Y	Y	5.33	A	GEN OBL
19	COMM. MASSACHUSETTS	250,000,000	7.1325	20	9/01	9/08	N	Y		AA+/Aa	GEN OBL
20	CONCORD	3,355,000	6.5555	13	12/01	11/17	Y	Y		Aaa	GEN OBL
21	DEDHAM-WESTWOOD WD	5,000,000	6.8825	20	11/01	11/01	Y	Y		A	WATER
22	DENNIS-YARMOUTH RSD	1,495,000	6.2680	5	10/01	9/29	Y	Y		A1	GEN OBL
23	DIGHTON-REHOBOTH RSD	4,350,000	7.1649	19	2/01	1/24	Y	Y	10.00	Baa1	SCHOOL
24	DIGHTON-REHOBOTH RSD	3,650,000	7.1649	20	3/01	1/24	Y	Y	10.25	Baa1	SCHOOL
25	DUDLEY	600,000	6.6709	10	11/01	10/18	Y	Y		A	GARAGE
26	EASTHAMPTON	1,390,000	6.4590	10	10/15	10/13	Y	Y	4.75	A1	GEN OBL
27	EASTON	4,645,000	6.9973	15	8/15	8/18	Y	Y	7.33	A1	GEN OBL
28	FALMOUTH	2,770,000	6.3650	10	11/15	11/02	Y	Y		A1	GEN OBL
29	FITCHBURG CITY	3,405,000	6.4854	9	8/01	7/21	Y	Y		Baa1	MUN PUR
30	FRANKLIN	4,885,000	7.2436	20	12/15	12/15	Y	Y		A1	GEN OBL
31	FRANKLIN	6,360,000	7.2960	20	1/15	12/15	Y	Y		A1	GEN OBL
32	FREETOWN-LAKEVILLE RSD	5,000,000	7.2677	19	12/15	12/07	Y	Y	9.67	A	SCHOOL
33	FREETOWN-LAKEVILLE RSD	1,550,000	7.3841	20	1/01	12/07	Y	Y	9.67	A	SCHOOL
34	GARDNER CITY	5,000,000	6.5638	12	7/01	6/21	Y	Y		A	MUN PUR
35	HAMPDEN-WILBRAHAM RSD	1,300,000	6.7590	10	12/15	12/13	Y	Y		Aa	SCHOOL
36	HARVARD	4,900,000	6.7695	14	10/15	10/18	Y	Y	7.50	A	SCHOOL
37	HARWICH	14,300,000	6.9979	15	2/15	2/08	N	Y	8.00	A1	GEN OBL
38	HINGHAM	4,260,000	7.1613	19	7/15	6/28	Y	Y		A1	GEN OBL
39	HINGHAM	6,750,000	6.5599	14	11/15	11/03	Y	Y		A1	GOLF CS
40	HOLDEN	5,000,000	6.8741	19	7/01	6/23	Y	Y		A	GEN OBL
41	HOLDEN	4,665,000	7.0689	20	10/15	10/04	Y	Y	10.25	A	MUN PUR

Focus on *Municipal Finance*

A regular supplement to CITY & Town

OVERRIDE CAPACITY

This issue of CITY & Town FOCUS covers the topic of override capacity, or the portion of a community's property tax capacity that can only be accessed through voter approval of Proposition 2 1/2 referenda questions. In discussing override capacity, it is helpful to review the building blocks of Proposition 2 1/2.

Proposition 2 1/2 sets two limitations on the level of property taxes a community can levy. First, a community cannot levy more than 2.5% of the total full and fair cash value of all taxable real and personal property in the community, or \$25 per \$1000 of value. This limitation is referred to as the *levy ceiling*.

In addition, a community's levy is constrained in that it can only increase by a certain amount from year to year. The maximum amount a community can levy in a given year is its *levy limit*. The levy limit is calculated by taking the community's levy limit for the previous year and increasing it by:

- o 2.5% of the previous year's levy limit and;
- o the amount of certified new growth added to the community's property tax base resulting from new construction.

Proposition 2 1/2 allows a community, with voter approval, to levy above its levy limit or its levy ceiling on a temporary basis, as well as to increase its levy limit on a permanent basis. An override enables a community to increase its levy limit on a permanent basis by a specific dollar amount for costs that the community expects will continue into the future. An exclusion (debt or capital outlay expenditure), on the other hand, provides for a temporary increase in a community's levy limit and if necessary, its levy ceiling. An exclusion enables a community to assess taxes in excess of its levy limit or levy ceiling for the cost of capital projects.

An override cannot increase a community's levy limit above its levy ceiling. Override capacity is the maximum dollar amount for which a community can approve an override and is equal to a community's levy ceiling minus its levy limit:

Override Capacity = Levy Ceiling - Levy Limit

(In this calculation, any exclusions the community has voted should be excluded from the levy limit).

In other words, override capacity is the gap between the community's upper limit (its levy ceiling) and its annual limit (its levy limit).

FINDINGS

This FOCUS reports on current override capacity, utilizing communities' most recent levy limits and levy ceilings. Statewide override capacity is significant. The current statewide levy ceiling is **\$8.2 billion** and the current statewide levy limit is **\$4.07 billion**, resulting in statewide override capacity of **\$4.14 billion**. Current statewide override capacity is equal to **50.4%** of the statewide levy ceiling and **101%** of the statewide levy limit. In other words, more than half of the total levy ceiling of \$25/\$1000 is currently inaccessible to communities except through approval of override votes.

Furthermore, because levy limits increase at a much slower rate than levy ceilings, override capacity is growing. The levy ceiling and thus override capacity as well have thus increased dramatically, while levy limits have grown at a slower rate. The significant increases in override capacity reflect the escalating property values that Massachusetts has experienced over the past few years.

In light of this discussion, it can be seen that very few communities in fact tax at a rate of \$25 per \$1000 of value. To reach that level, communities would need to secure voter approval for overrides totaling the full amount of override capacity statewide, thereby doubling the current tax levy.

For the years FY85 through FY88, override capacity as a percent of the levy ceiling is shown below:

Fiscal Year	Override Capacity as % of Levy Ceiling
FY85	16%
FY86	27%
FY87	39%
FY88	45%

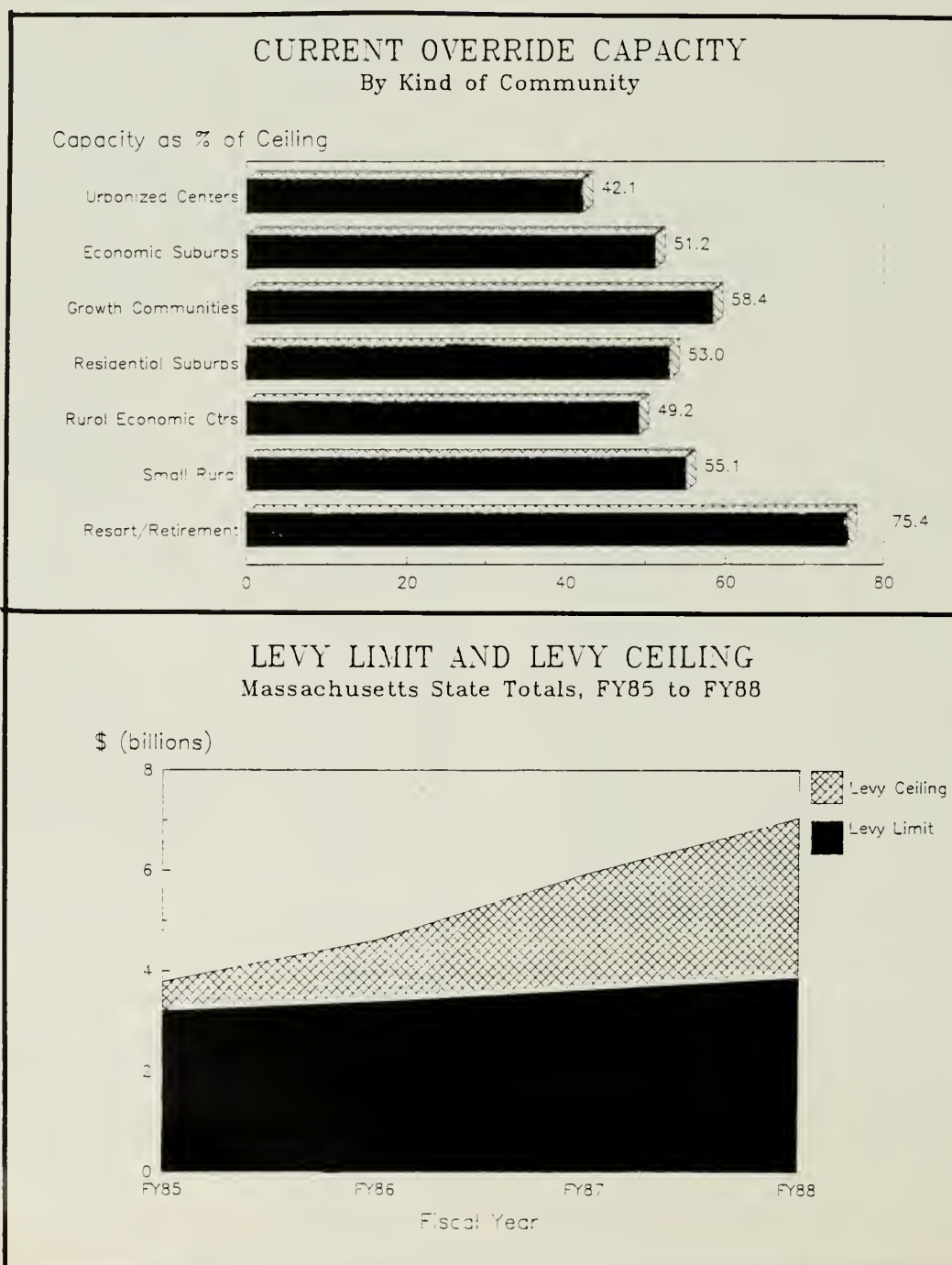
CITY & Town FOCUS... OVERRIDE CAPACITY

Current override capacity varies by Kind of Community. Urbanized Centers show the lowest amount of override capacity as a percent of the levy ceiling (42.1%), while Resort/Retirement/Artistic communities show the largest amount of override capacity as a percent of the levy ceiling (75.4%).

The following graphs shows statewide override capacity and statewide levy limits, FY85 through FY88; and current override capacity as a percent of levy ceilings according to the Department of Education Kind of Community Classification. The following table lists, by community, levy limit, levy ceiling, override capacity, and override capacity as a percent of the levy ceiling.

Note: Current capacity uses either FY88 or FY89 levy limits and levy ceilings, whichever are available. These numbers reflect 257 communities with FY89 data and 94 communities with FY88 data.

This FOCUS was prepared by Debbie DePerri and Roger Hatch of the Municipal Data Bank and Leslie Kirwan and Julie Slavet of the Analysis Unit.



OVERRIDE CAPACITY

	LEVY	CEILING	OVERRIDE	CAP. AS %	LEVY	CEILING	OVERRIDE	CAP. AS %	LEVY	CEILING	OVERRIDE	CAP. AS %
	LIMIT		CAPACITY	CLING.	LIMIT		CAPACITY	CLING.	LIMIT		CAPACITY	CLING.
ABINGTON	FY89 7,150,545	17,928,500	10,778,105	59.1	FY89 25,627,386	34,584,000	8,876,864	25.7	FY89 421,626	1,039,375	617,765	59.4
ACTION	FY89 17,966,871	43,140,500	25,273,629	58.6	FY89 1,305,217	14,284,000	12,978,783	90.9	FY89 9,761,515	18,400,375	8,638,860	46.9
ACUSHNET	FY89 3,479,228	4,592,075	1,112,847	24.2	FY89 3,596,636	6,944,348	6,106,152	87.4	FY89 4,527,934	12,211,475	7,683,541	62.9
ADAMS	FY89 3,531,913	5,717,500	1,483,581	42.9	FY89 6,059,077	12,215,925	6,301,033	52.4	FY89 9,972,011	11,654,150	7,177,139	41.6
AGAWAM	FY89 16,548,088	29,002,475	12,454,387	42.9	FY89 8,489,017	14,719,050	6,150,103	42.6	FY89 4,106,596	11,264,388	7,187,992	63.6
ALFORD	FY89 352,053	1,018,400	666,347	65.4	FY89 849,595	1,153,400	303,805	26.3	FY89 10,116,432	45,907,800	35,791,368	78.0
AMESBURY	FY89 9,156,168	17,025,200	7,869,893	46.2	FY89 21,501,761	38,679,100	17,177,339	44.4	FY89 1,762,823	5,217,575	3,454,752	66.2
ANDOVER	FY89 11,379,831	22,908,725	10,928,829	49.0	FY89 5,111,901	1,684,125	172,374	25.2	FY89 26,661,434	47,302,375	20,640,841	43.6
ANDOVER	FY89 32,867,867	78,220,700	45,402,833	58.0	FY89 5,111,901	1,684,125	172,374	25.2	FY89 25,330,330	38,882,500	11,605,312	31.2
ARLINGTON	FY89 34,017,818	78,220,700	44,265,882	58.0	FY89 3,699,108	4,618,850	919,574	19.9	FY89 4,253,709	759,629	313,920	42.4
ASHBURNHAM	FY89 2,484,792	4,504,725	2,019,933	44.8	FY89 22,897,497	55,057,850	32,160,353	58.4	FY89 20,634,633	37,843,825	17,209,192	45.5
ASHBY	FY89 1,197,019	1,566,025	369,006	23.6	FY89 13,219,427	27,052,550	14,333,380	52.0	FY89 879,386	1,816,700	937,314	51.6
ASHFIELD	FY89 822,939	1,332,050	509,111	38.2	FY89 18,160,764	25,476,450	7,315,704	28.7	FY89 5,954,880	7,319,725	1,424,845	19.3
ASHLAND	FY89 10,268,293	20,921,825	9,823,533	48.9	FY89 2,413,350	5,101,350	2,688,000	52.7	FY89 8,658,067	11,111,650	13,452,583	60.8
ATHOL	FY89 3,218,541	9,684,600	6,466,055	66.8	FY89 9,576,435	50,482,200	40,905,765	81.0	FY89 1,263,020	3,777,859	2,514,839	66.6
ATTLEBORO	FY89 18,725,564	33,993,100	15,267,536	44.9	FY89 3,226,649	7,958,500	4,731,851	59.5	FY89 9,203,516	13,996,475	4,753,299	34.1
AUBURN	FY89 9,012,961	12,908,500	3,887,539	30.1	FY89 2,259,333	4,378,050	2,118,697	48.4	FY89 14,046,189	20,063,475	4,753,299	34.1
AVON	FY89 4,409,268	7,103,000	2,693,732	37.9	FY89 3,321,155	11,542,700	6,421,531	53.9	FY89 3,824,123	7,762,675	3,017,786	30.0
AVER	FY89 3,144,936	8,337,892	5,192,956	62.3	FY89 13,478,227	28,388,025	13,909,798	50.5	FY89 7,823,171	23,918,675	16,099,504	67.3
BARNSTABLE	FY89 32,677,226	87,265,575	54,588,349	62.6	FY89 2,359,288	5,998,100	3,638,812	60.7	FY89 1,227,763	3,630,472	2,402,709	66.2
BARRE	FY89 1,645,965	4,412,014	2,766,049	62.7	FY89 1,158,540	2,607,675	1,449,135	55.6	FY89 12,053,259	25,990,125	13,936,866	53.6
BECKET	FY89 1,111,063	2,246,475	1,135,412	50.5	FY89 15,837,869	30,219,975	14,382,106	47.6	FY89 7,247,715	9,769,450	2,551,378	26.0
BELCHERTOWN	FY89 15,858,410	31,327,650	15,469,420	55.4	FY89 5,721,240	7,192,725	1,323,485	20.0	FY89 8,894,872	9,964,300	2,551,378	26.0
BELLINGHAM	FY89 3,816,965	8,362,025	4,445,060	55.4	FY89 9,964,127	14,141,400	1,777,273	12.5	FY89 8,423,167	24,725,325	16,300,058	65.9
BELMONT	FY89 7,164,962	19,146,175	11,981,213	62.6	FY89 9,653,311	13,158,050	3,504,739	26.6	FY89 3,819,140	14,431,950	8,632,227	59.7
BERKLEY	FY89 23,190,954	36,311,900	13,120,466	36.1	FY89 5,185,939	26,032,798	20,846,859	80.1	FY89 3,909,754	6,997,325	6,087,571	60.9
BERLIN	FY89 1,623,536	6,063,000	4,439,464	73.2	FY89 5,812,331	26,032,798	2,913,009	33.4	FY89 2,953,878	6,592,725	3,638,847	55.2
BERRARDSTON	FY89 1,386,868	4,548,175	3,161,307	69.5	FY89 11,115,513	16,228,375	5,113,045	31.3	FY89 2,169,082	3,079,225	910,143	29.6
BEVERLY	FY89 1,002,303	2,460,032	1,457,729	59.3	FY89 4,916,481	27,710,650	22,994,169	82.3	FY89 20,987,510	52,707,732	31,770,222	60.2
BILLERICA	FY89 28,455,922	48,157,475	19,701,555	40.9	FY89 1,120,266	2,665,050	1,544,764	58.0	FY89 3,752,448	6,175,675	2,423,227	39.2
BLACKSTONE	FY89 30,629,888	61,166,550	30,536,662	49.9	FY89 1,802,290	3,742,025	1,939,735	51.8	FY89 3,100,581	6,599,000	3,498,419	53.0
BLANDFORD	FY89 3,410,612	7,239,930	3,829,338	52.9	FY89 2,132,737	7,868,984	3,756,452	72.9	FY89 4,460,158	8,351,350	4,121,092	48.0
BOLTON	FY89 6,299,857	11,615,009	3,985,152	61.0	FY89 32,874,123	55,322,575	22,448,452	40.4	FY89 20,327,732	40,524,125	19,996,393	49.3
BOSTON	FY89 2,635,255	5,671,050	3,035,753	53.5	FY89 27,774,394	64,376,150	28,831,811	57.4	FY89 1,049,697	2,267,175	1,217,478	53.7
BOURNE	FY89 84,060,534	885,841,800	401,781,266	45.4	FY89 27,440,394	64,376,150	36,934,706	57.4	FY89 36,616,420	74,391,250	37,714,830	50.8
BOXBOROUGH	FY89 10,128,609	39,506,095	29,377,486	74.4	FY89 26,557,966	73,045,575	46,487,619	63.6	FY89 408,212	561,175	152,963	27.3
BOXFORD	FY89 3,260,180	8,995,450	5,699,270	63.4	FY89 15,457,413	34,969,266	21,511,653	58.2	FY89 6,073,794	18,593,875	12,502,065	67.3
BRAintree	FY89 5,152,812	16,922,525	11,769,713	68.6	FY89 7,725,601	11,113,800	3,851,993	34.7	FY89 5,871,280	9,435,325	4,024,065	41.0
BRAintree	FY89 2,533,336	4,400,675	2,046,933	46.5	FY89 10,028,947	23,513,625	13,486,678	57.4	FY89 13,570,683	24,220,850	10,650,167	44.0
BREWSTER	FY89 28,720,051	58,737,775	30,017,724	51.1	FY89 53,902,618	112,868,975	58,966,357	52.2	FY89 45,809,506	71,035,450	25,123,944	35.3
BRIDGEWATER	FY89 7,829,799	31,507,918	23,678,119	75.1	FY89 13,359,596	26,879,050	13,519,454	50.3	FY89 9,048,987	13,190,575	4,141,588	31.4
BRIEFIELD	FY89 8,825,291	20,434,750	11,609,459	55.8	FY89 4,826,303	12,514,250	7,687,947	61.4	FY89 5,112,102	7,152,600	2,040,498	28.5
BROCKTON	FY89 1,446,492	2,262,350	815,858	36.1	FY89 7,620,450	12,161,950	5,541,500	37.3	FY89 4,614,830	73,959,900	29,345,070	39.7
BROOKFIELD	FY89 45,028,022	72,944,925	27,916,903	38.3	FY89 5,575,932	9,912,525	2,336,593	23.6	FY89 10,197,252	18,287,800	8,060,578	44.2
BROOKLINE	FY89 1,213,415	2,684,662	1,471,247	56.8	FY89 3,489,449	10,512,126	7,022,794	66.8	FY89 27,270,627	34,318,275	7,047,648	20.5
BURLINGTON	FY89 56,601,162	111,536,800	54,935,638	49.3	FY89 725,342	967,925	242,583	25.1	FY89 5,874,670	10,680,850	4,806,180	45.0
BURLINGTON	FY89 977,682	1,182,335	27,204,643	1.3	FY89 23,796,468	44,184,750	3,388,262	46.1	FY89 12,174,442	21,965,750	9,791,568	44.6
CAMBRIDGE	FY89 30,404,228	57,783,100	27,378,872	47.3	FY89 508,808	1,026,025	517,217	50.0	FY89 19,512,185	58,817,175	39,292,730	66.8
CANTON	FY89 18,522,389	45,552,825	27,001,436	59.3	FY89 7,298,568	20,073,400	774,832	71.4	FY89 4,012,661	13,474,150	9,461,889	70.2
CARLISLE	FY89 4,990,362	13,568,574	8,578,212	63.2	FY89 2,522,782	6,044,300	3,521,518	58.3	FY89 15,803,784	33,983,525	17,179,741	52.1
CARVER	FY89 6,097,487	12,293,625	6,109,938	50.4	FY89 8,864,044	1,955,789	1,771,745	54.8	FY89 8,956,145	21,023,378	12,070,233	57.4
CHARLESTON	FY89 6,682,311	7,820,775	1,284,464	16.8	FY89 5,016,936	6,300,075	1,315,092	20.8	FY89 8,956,145	13,526,877	8,623,011	63.5
CHARLTON	FY89 3,014,895	7,820,775	4,806,055	61.5	FY89 9,015,408	16,230,450	7,192,042	44.4	FY89 7,184,530	20,663,350	12,124,161	58.7
CHATHAM	FY89 7,039,538	14,702,200	37,702,662	84.3	FY89 4,580,763	10,500,125	5,919,362	56.4	FY89 8,519,189	20,663,350	12,124,161	58.7
CHELSEA	FY89 23,728,791	37,905,125	14,176,734	37.4	FY89 2,763,652	7,411,150	4,647,408	62.2	FY89 35,022,420	80,532,825	45,510,405	56.5
CHELSEA	FY89 11,462,549	13,929,300	4,666,751	33.7	FY89 2,763,652	7,411,150	4,647,408	62.2	FY89 7,166,575	17,542,725	17,542,725	100.0
CHESTER	FY89 787,973	1,873,550	1,035,977	55.0	FY89 2,866,550	4,261,525	1,318,571	31.2	FY89 18,183,451	35,772,975	17,542,725	49.1
CHESTER	FY89 510,445	972,405	465,960	47.7	FY89 5,775,725	15,984,250	10,918,571	68.9	FY89 2,282,096	4,772,875	2,490,729	52.2
CHESTERFIELD	FY89 617,786	942,350	324,564	34.4	FY89 2,560,930	5,009,500	2,448,550	48.9	FY89 2,126,824	3,404,300	1,277,476	37.5

FY 89 Massachusetts Municipal Bond Issues

42	HOLYOKE	4,120,000	7.1630	15	1/15	1/12	Y	Y		Baa	GEN OBL
43	HOPKINTON	5,000,000	6.5881	10	8/15	8/03	Y	Y	5.50	A1	GEN OBL
44	HUDSON	3,655,000	7.3442	15	8/15	8/03	Y	Y	7.50	Baa	MUN PUR
45	LAKEVILLE	855,000	7.4404	17	1/01	12/07	Y	Y		Baa	GEN OBL
46	LEXINGTON	10,000,000	6.6802	10	12/01	11/29	Y	Y		Aaa	LAND ACQ
47	LINCOLN-SUDBURY RSD	750,000	6.0997	5	8/15	7/28	Y	Y		Aa	GEN OBL
48	LITTLETON	1,335,000	6.3371	10	8/01	7/13	Y	Y	4.00	A1	GEN OBL
49	MALDEN CITY	5,000,000	6.7812	10	12/01	12/06	Y	Y		A/A	MUN PUR
50	MARLBOROUGH CITY	4,965,000	6.2847	10	7/15	7/06	Y	Y		A1	GEN OBL
51	MASHPEE	5,080,000	6.4779	10	7/15	6/28	Y	Y		A	GEN OBL
52	MATTAPOISETT	1,645,000	7.1124	10	3/15	3/09	Y	Y	5.33	A	GEN OBL
53	MEDFIELD	3,670,000	6.9274	15	8/01	8/02	Y	Y		A1	MUN PUR
54	MEDFORD CITY	3,650,000	6.9099	15	7/15	7/12	Y	Y	7.83	A	GEN OBL
55	MELROSE CITY	4,000,000	6.2976	8	11/15	11/02	Y	Y		A	GEN OBL
56	MILFORD	2,445,000	6.4962	10	10/15	10/19	Y	Y	5.00	A	GEN OBL
57	MONSON	870,000	7.1326	15	8/15	8/11	Y	Y		A	GEN OBL
58	NORFOLK COUNTY	1,920,000	6.3959	10	8/15	8/09	Y	Y		Aaa	GEN OBL
59	NORTH ANDOVER	5,000,000	6.9178	15	2/01	1/31	Y	Y	5.83	A1	GEN OBL
60	NORTH MIDDLESEX RSD	7,200,000	7.0584	19	10/01	10/16	Y	Y		A	SCHOOL
61	ORLEANS	2,800,000	6.8768	10	2/15	2/09	Y	Y	5.00	A1	LAND ACQ
62	QUINCY CITY	4,245,000	6.5251	10	10/01	10/06	Y	Y		A	MUN PUR
63	READING	4,385,000	6.4249	10	11/15	11/01	Y	Y	5.33	A+/A1	GEN OBL
64	ROCHESTER	3,795,000	7.2259	19	3/01	2/09	Y	Y	9.25	A	SCHOOL
65	ROCHESTER	3,320,000	7.2882	20	4/01	2/09	Y	Y	10.00	A	SCHOOL
66	ROCKLAND	2,250,000	6.5521	10	7/15	7/20	Y	Y	5.50	A	WATER
67	SANDWICH	30,400,000	7.0064	20	11/01	10/27	N	Y		A	SCHOOL
68	SHARON	1,305,000	6.2348	9	8/01	7/14	Y	Y	3.33	A1	GEN OBL
69	SOUTH HADLEY	1,400,000	6.3638	8	8/01	7/19	Y	Y	4.50	Baa	SCHOOL
70	SPENCER	1,755,000	6.5908	10	8/01	7/28	Y	Y		A	MUN PUR
71	SPRINGFIELD CITY	23,515,000	6.9337	19	11/01	10/21	N	Y	7.33	A	MUN PUR
72	STOUGHTON	5,000,000	6.8327	10	12/15	12/15	Y	Y		A1	GEN OBL
73	STOW	1,625,000	7.1039	19	8/01	7/13	Y	Y		A1	GEN OBL
74	STURBRIDGE	4,720,000	7.0498	15	12/15	12/08	Y	Y		A	MUN PUR
75	SUNDERLAND	4,085,000	6.9240	18	11/15	11/01	Y	Y		A	SCHOOL
76	SUTTON	8,500,000	6.5809	10	11/15	11/15	Y	N	5.50	A	SCHOOL
77	SWAMPSCOTT	2,160,000	6.6992	5	1/15	1/10	Y	Y	2.25	A1	GEN OBL
78	TOWNSEND	1,635,000	6.9858	17	10/15	10/13	Y	Y	8.67	A	PUB SFT
79	UNIV MASS/BOSTON	18,610,000	7.6528	12	8/15	8/31	N	Y		A+(SP)	CERT PART
80	UXBRIDGE	5,000,000	7.0472	19	11/15	11/09	Y	Y		A	GEN OBL
81	WALPOLE	1,720,000	6.3484	10	7/15	7/07	Y	N		A1	GEN OBL
82	WALTHAM CITY	3,000,000	6.4269	5	2/01	1/26	N	Y	3.00	Aa	GEN OBL
83	WELLESLEY	2,000,000	6.5994	10	12/15	12/14	Y	Y		Aaa	GEN OBL
84	WESTFIELD CITY	5,825,000	6.5078	10	7/15	7/12	Y	Y		A	GEN OBL
85	WESTMINSTER	3,100,000	7.2723	15	3/15	3/02	Y	Y	6.67	A	GEN OBL
86	WESTON	935,000	6.1893	9	8/15	8/02	Y	Y		Aa1	MUN PUR
87	WHITMAN	1,750,000	6.8299	13	11/15	11/09	Y	Y		Baa	GEN OBL
88	WINCHESTER	1,230,000	6.2657	10	8/15	7/26	Y	Y	5.33	Aaa	T.H. REM
89	WORCESTER CITY	8,825,000	6.3029	10	11/01	11/03	Y	Y	4.50	A	GEN OBL
90	WRENTHAM	4,765,000	7.2402	20	9/01	8/30	Y	N		A	GEN OBL
91	YARMOUTH	3,180,000	6.9955	15	12/15	11/29	Y	Y		A1	GEN OBL

THE LATEST IN TECHNICAL ASSISTANCE

MILLIS: FINANCIAL MANAGEMENT REVIEW

A management consulting team from the Division's Bureaus of Accounts, Local Assessment, and Municipal Data Management and Technical Assistance met with town officials to review the town's financial management organization. During the process of the review, interviews were conducted with the Town Accountant, Treasurer, Collector, Boards of Selectmen and Assessors, members of the Finance Committee and the Board of Public Works, the Administrative Assistant, and Superintendent of Schools. The review resulted in a number of recommendations relating to debt policy and capital planning, budgeting, and communication and coordination among local officials.

COHASSET: REVENUE AND EXPENDITURE FORECAST

At the request of the Board of Selectmen, the Municipal Data Management and Technical Assistance Bureau completed a five year Revenue and Expenditure forecast for the town of Cohasset. The forecast projects the costs of maintaining Cohasset's current level of municipal services through FY94. In addition, the analysis also projects the town's potential debt service requirements needed to fund future capital projects.

MUNICIPAL FISCAL CALENDAR

MAY 1: *Accountant/Treasurer notifies assessors of the amount of debt due in the next fiscal year* As required by MGL Chapter 44, Section 28, the accountant (or Treasurer) must notify the Assessors of all debt due in the next fiscal year, because the town is required to pay its debts, appropriated or not. This information is used to complete the Tax Rate Recapitulation Sheet.

Because all debt service must be paid, any debt service not covered by town meeting appropriations is added to the "Other Local Expenditures" category, found on page 2 of the Tax Rate Recapitulation Sheet. It is important that the Assessors have this information to avoid setting a tax rate lower than required, thereby raising insufficient revenue to cover the town's expenditures.

MAY 15: *Treasurer submits to the Bureau of Accounts the Third Quarter Reconciliation of Cash* (due 45 days after the end of the quarter).

MAY 15: *The Department of Revenue submits to Assessors the Certification of telephone and telegraph company valuations.*

MAY 19: *Municipal Treasurer submits to the County Treasurer the payment of second half of county tax.*

REPAIR PLATE USAGE MOST FLAGRANT ABUSE

Each month, *City and Town* publishes what the Division of Local Services determines to be the incidence of the most flagrant abuse of repair plates on a luxury motor vehicle which was discovered during the preceding month. Each report relates the excise amount for which such a vehicle would be liable were the car to have been properly taxed over the first five years of its life. Because of the DLS's program, much of the otherwise lost revenue will be recovered on the particular vehicle by the municipality where the vehicle is principally garaged.

May's selection:

1988 Rockwood Motor Home

Location: Auto Repair Facility
Whately, MA

Manufacturer's List Price \$64,870.00
Five Year Excise Liability \$3,648.94

CITY & Town, a publication of the Massachusetts Department of Revenue's Division of Local Services, is published 11 times per year. The Division is responsible for oversight and assistance to cities and towns in achieving equitable property taxation and efficient fiscal management.

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CITY & Town

A monthly publication of the Massachusetts Department of Revenue's Division of Local Services

Stephen W. Kidder,
Commissioner



Edward J. Collins,
Deputy Commissioner

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ONE TOWN'S SUCCESS WITH CAMA

On March 1, 1989, the town of Middlefield submitted a request for fiscal year 1990 certification. It was the very first community in the Commonwealth to do so, but more than that, Middlefield was one of the earliest towns to implement the Department of Revenue's CAMA system. Middlefield's is a story that illustrates a new equation: Computer Assisted Mass Appraisal plus the efforts of committed part-time officials equals effective tax administration.

The CAMA system was developed to provide local assessors with a modern, cost-effective tool to maintain full and fair cash values and perform tax administration functions at a reasonable cost. A community opting for CAMA receives the necessary software, training and support needed to operate the system from the Department of Revenue.

Middlefield is a small western Massachusetts town with 430 residents and 580 land parcels. When Middlefield officials began planning for their fiscal year 1990 certification last year, they were faced with expensive revaluation costs. They began seeking more economically feasible alternatives that would meet their long range needs.

The Middlefield assessors picked DOR CAMA. The town had one part-time assessor and a part-time data entry clerk employed at the time. Once the system was installed at the beginning of 1988 and the Division of Local Services had begun training the Middlefield staff, another part-time assessor joined the effort.

All of Middlefield's property records data had to be entered into the new computer system. Within two months, data entry was completed and in the summer of 1988, the assessors hired and trained four residents to make site visits to each parcel of property. The new staff cost the town \$2,100 and was successful at gaining entry to 95% of all buildings. The "Middlefield Reval Team" got together each Saturday to discuss problems and find solutions.

Middlefield's FY89 tax rate was approved by mid-August, giving the town the chance to be the first CAMA community to run tax bills with new hardware and software. Sales data were collected and analyzed and new land values were established in January 1989. The assessors then valued and reviewed all property using the CAMA system and requested FY90 certification three months ago.

Middlefield is one of fourteen western communities that make up the Western Massachusetts CAMA User's Group, with Middlefield Assessor John Rice as chairman. This town's assessing team participates in all DOR training sessions and User Group meetings.

Middlefield has already reaped the fruits of the assessing team's labors. The town enjoys very real and immediate cost savings that will continue into the future, thanks to the dedication and enthusiasm of its assessors and CAMA. This small western town set an important example by using new methods and making the most of limited resources. The professionalism of Middlefield officials and their willingness in applying new tools to completing a difficult task made the Middlefield CAMA program the success it is. The Division congratulates these committed people on a job well done!

INSIDE...

- o The latest on New Growth
- o This month's FOCUS on Multiple Tax Rates
- o The DLS... What's In It For You?

UPDATE ON NEW GROWTH

Between FY83 and FY88, communities across the state reported a total of \$543.7 million in certified, allowable new growth. The cumulative impact of these new growth dollars accounted for 14.7% of the FY88 statewide levy limit of \$3.86 billion. New Growth accounts for a significant portion of the increase in statewide levy limits from year to year.

Proposition 2 1/2 allows a community to increase its levy limit -- its annual levy capacity -- by an amount based upon the valuation of certain new construction and other growth in the tax base that is not the result of property valuation. The purpose of this provision is to recognize that new development results in additional costs to a municipality. The construction of a number of new homes will likely result in increased education and public safety costs, for example, due to increased school enrollment and the need to provide police and fire protection, as well as other services, to these homes and residents.

New growth becomes part of the levy limit, and thus increases at the rate of 2.5% each year, as the levy limit increases. Reporting of new growth provides a community with an opportunity to increase its levy limit, which can provide for future budget flexibility.

Beginning in 1986, the Department of Revenue enabled communities to take advantage of growth not reported for prior years through a program of retroactive growth certification.

New growth covers:

- o new construction, additions, and alterations that result in new dwelling units or increases in assessed valuation of at least 50% for Residential and Open Space property and increases in assessed valuation of at least \$100,000 or 50% for Commercial, Industrial, and Personal property;

- o exempt property returned to the tax roll and net increases in valuation for subdivision parcels and condominium conversions.

- o Chapter 276 of the Acts of 1988 amended the definition of new growth. Initially, new growth included residential property only where there had been an increase of at least 50% in the assessed valuation over the previous year, due to new construction. This definition excluded substantial amounts of new construction, such as a case in which a house was built on a particularly valuable parcel of land or in which an addition was made to an apartment building. This legislation expands new growth to include any residential property upon which has been built one or more new dwelling units.

In addition, this legislation codified a requirement found in previous state budgets that new growth be reported to the Department of Revenue prior to the setting of a tax rate. A tax rate cannot be set until the city or town reports its growth for that year.

Both of these provisions apply beginning in FY90.

LET US TELL YOU ABOUT OUR SERVICES...

CITY & Town readers often request more information on the services the Division of Local Services provides. Here are brief descriptions of several of our most frequently-requested offerings and people to contact for more assistance:

TRAINING: Our Training staff coordinates the Division's courses and seminars for local officials, including Assessment Administration; Assessment Office Procedures; courses for treasurers, collectors and accountants/auditors; "What's New in Municipal Law?", Proposition 2 1/2 workshop, and more. All courses and materials are provided free of charge and are scheduled at times and locations convenient to local officials. **Form more information, contact: Jean McCarthy, Training Coordinator, (617) 727-2300.**

THE MUNICIPAL DATA BANK: The Division's Data Bank generates standard and customized reports on municipal finance from an extensive computerized database, on items such as revenues and expenditures, property values, tax rates, Proposition 2 1/2 levy limits and overrides, Cherry Sheet receipts and assessments, and socioeconomic data. Data are

available for FY81 to the present. Call us to find out how the Data Bank can help you identify existing trends in your community and anticipate problems before they happen. **Contact: Roger Hatch or John Sanguinet, Division of Local Services, (617) 727-2300, or write for the Municipal Data Bank Brochure and order forms: Municipal Data Bank, 200 Portland Street, Boston, MA 02114.**

PUBLIC INFORMATION: Documents retained or produced by the Division are provided under the Freedom of Information Act to private sector requestors. A nominal search and reproduction fee is charged. **Requests should be made in person or in writing to: Kathleen Maillet, Public Information Officer, Division of Local Services, 200 Portland Street, Boston, MA 02114.**

MULTIPLE TAX RATES: SHIFTING THE PROPERTY TAX BURDEN

This issue of **CITY & Town FOCUS** explores how communities have elected to shift the property tax among the major property classes by adopting multiple tax rates.

The Classification Act requires municipalities to classify real and personal property into different categories, to record the value in each of those categories, and subsequently, to vote on whether these should be taxed at the same or different rates. There are four classes of real property: residential, open space, commercial and industrial; and personal property.

Adoption of different rates has the effect of shifting the property tax among the different classes of property. The purpose of this local option is to enable communities to retain, within certain limits, the relative shares of the property tax borne by residential and commercial property as these existed prior to the implementation of full and fair cash valuation. Adoption of different rates does not increase the size of a community's levy.

To ensure that any shift off the residential class is not so great as to create a disproportionate burden for commercial, industrial, and personal property taxpayers, the Classification Act requires that the Department of Revenue calculate a "minimum residential factor" for each community. This factor defines the allowable percentage shift that can be implemented through the setting of different tax rates by each community. A community must establish a residential factor equal to or greater than the minimum residential factor established for it by the Department.

For example, let us say the minimum residential factor established for a particular community is 92%. This means that the residential class cannot bear less than 92% of the share of the levy based on the assessed value of the residential class as a percent of total value. This actual residential class share is 86.3%. Therefore, the residential share selected cannot be lower than 86.3% x 92%, or 79.4%.

RECENT LAW CHANGES

Originally, the limits established by the Classification Law required the residential class to pay at least 65% of its assessed value share of the total tax levy and the commercial, industrial, and personal property classes to pay no more than 150% of their value share of the levy. Because of the rapid appreciation in real estate values over the past few years, the residential class in many communities would bear an increasingly higher percentage of the tax levy under these original limits.

Chapter 200 of the Acts of 1988 amended the original Classification Law, enabling communities to maintain the relative shares of the tax levy borne by residential and business taxpayers since they first implemented a classified tax system. The law changes the classification limits used to determine communities' minimum residential factors.

The existing classification limits are used to calculate the minimum residential factor, except if the use of these limits would result in the residential class's bearing a higher percentage share of the levy than it bore in the previous year. In that case, the Department will determine the minimum residential factor by decreasing the value percentage share of the levy that can be borne by the residential class from 65% to 50%, and increasing the maximum share that can be borne by the business classes from 150% to 175%.

However, the use of these expanded limits **cannot** result in a minimum residential factor that would allow the residential class to bear a lower percentage share of the levy than it bore in any year since the community was first certified as assessing at 100% full and fair cash valuation. In that case, the Department determines the minimum residential factor by adjusting the share of the levy borne by the residential class to the lowest percentage imposed on that class in any year since the community was first certified.

In FY89, there were 35 communities eligible to use the provisions of Chapter 200.

FINDINGS

In setting their most recent tax rates, communities that have adopted multiple rates have, statewide, shifted a total of \$368.9 million from residential to business taxpayers. This represents 86% of the total that could be shifted in these communities; under the law they could have shifted another \$61.9 million or 14%. Communities that did not adopt multiple tax rates could have shifted an additional \$111.4 million. Under the law, the statewide total shift could have been \$542.8 million; 68% of this total potential shift was accomplished in the most recent year.

The residential levy represents 66% of the statewide levy. Of the statewide levy of \$4 billion, the commercial, industrial and personal property classes paid a total of 34%, 9% of which represents the shift from residential to business taxpayers.

The statewide minimum residential levy (the levy if all communities adopted multiple rates and selected the minimum residential factor as their residential factor) is \$2.5 billion, or 94% of the actual residential levy of \$2.7 billion. Of this total, \$173.3 million, or 6% represents the total dollars that communities could have, but chose not to shift to business taxpayers.

The dollar shift per community from residential taxpayers to business taxpayers ranges from \$17,438 to \$119.6 million. The dollar shift per capita, calculated to control for the wide differences in community size, ranges from \$10 to \$245.

The following chart shows the shift in the tax levy from the residential class to the commercial, industrial, and personal property classes for all cities and towns.

The following printout provides, by community:

- the residential/open space share of both assessed value and the tax levy;
- the minimum residential factor (or degree of shift allowed by law);
- the residential factor (or degree of shift selected);
- the actual dollars shifted from the residential/open space classes to the commercial, industrial, and personal property classes;
- the actual dollars shifted per capita.

Those communities for which there are no numbers in the "residential factor selected" column have selected a factor of one — they have chosen not to shift any of the property tax from the residential/open space classes to the commercial, industrial, and personal property classes. In other words, each category is paying 100% of its full assessed value share of the levy.

For the purposes of this report, the five property categories are combined into two classes: Residential/Open Space (R) and Commercial/Industrial/Personal (CIP). These are also the groupings for which different tax rates can be set, if the community so chooses.

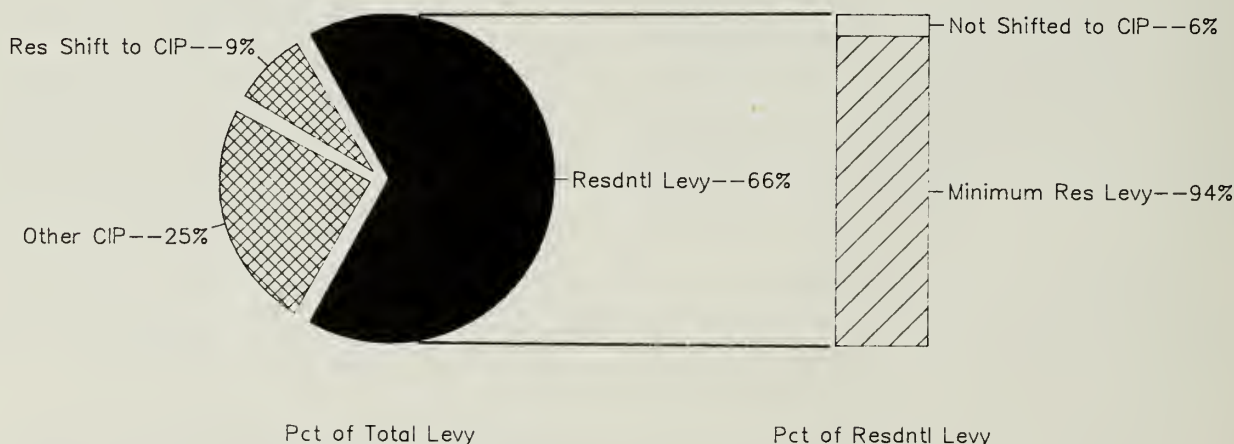
Data reflects 279 communities' FY89 values and 71 communities' FY88 values, with 78 communities adopting multiple tax rates in FY89 and 20 adopting multiple rates in FY88.

This issue of CITY & Town FOCUS was prepared by Leslie Kirwan and Julie Slavet of the Analysis Unit, Dora Fernandez and Roger Hatch of the Municipal Data Bank and Arthur Ecclestone of the Bureau of Local Assessment.

For assistance in understanding classification and Chapter 200, please contact the **Division of Local Services, Property Tax Bureau, (617) 727-2300**

SHIFT IN TAX LEVY AMONG PROPERTY CLASSES

From Residential to Commercial/Indust/Pers Prop
Current Totals for Mass. Cities and Towns



Total Levy = \$4.057 Billion

Data reflects FY89 tax rates for 79% of c&t's
FY88 tax rates for 21% of c&t's

SHIFTING THE BURDEN

	RES % OF VAL- UATION	RES % OF RES LEVY	MIN FACTOR	RESID FACTOR CHOSEN	\$ IN MILLIONS SHIFTED TO CIP	\$ PER CAPITA SHIFTED		RES % OF VAL- UATION	RES % OF RES LEVY	MIN FACTOR	RESID FACTOR CHOSEN	\$ IN MILLIONS SHIFTED TO CIP	\$ PER CAPITA SHIFTED
ABINGTON	86.3	86.3	92.1				CHICOPEE	76.6	64.9	84.7	84.7	2.809	49
ACTION	79.4	79.4	87.0				CHILMARK	98.0	98.0	98.8			
ACUSHNET	90.7	86.1	92.3	94.9	0.183	20	CLARKSBURG	93.7	93.7	96.6			
ADAMS	77.5	77.5	85.5				CLINTON	79.7	64.4	80.9	80.9	0.925	74
AGAWAM	79.4	74.3	87.1	93.5	0.779	29	COHASSET	88.5	88.5	93.5			
ALFORD	95.1	95.1	97.4				COLRAIN	78.9	78.9	86.7			
AMESBURY	79.1	79.1	86.8				CONCORD	85.1	83.1	91.3	98.0	0.395	24
AMHERST	87.6	87.6	93.0				CONWAY	92.7	92.7	96.1			
ANDOVER	66.7	61.7	75.0	92.5	1.755	64	CUMMINGTON	86.8	86.8	92.4			
ARLINGTON	91.0	91.0	95.0				DALTON	71.2	71.2	79.8			
ASHBURNHAM	93.6	93.6	96.6				DANVERS	64.4	60.8	72.3	94.5	0.771	32
ASHBY	93.1	93.1	96.3				DARTMOUTH	81.8	81.8	88.9			
ASHFIELD	88.3	88.3	93.4				DEDHAM	74.0	61.0	82.4	82.4	2.317	97
ASHLAND	85.1	81.4	91.2	95.7	0.402	37	DEERFIELD	70.1	70.1	78.7			
ATHOL	83.8	83.8	90.4				DENNIS	88.9	88.9	93.8			
ATTLEBORO	76.0	65.9	84.2	86.7	1.886	54	DIGHTON	84.4	72.8	86.2			
AUBURN	65.0	56.3	73.1	86.6	0.784	54	DOUGLAS	92.8	92.8	96.1			
AVON	50.0	37.0	65.0	74.0	0.602	126	DOVER	97.7	97.7	98.8			
AYER	54.3	40.7	57.9	75.0	0.426	63	DRA CUT	91.3	91.3	95.3			
BARNSTABLE	79.4	79.4	87.1				DUDLEY	87.1	87.1	92.6			
BARRE	87.2	87.2	92.7				DUNSTABLE	94.5	94.5	97.1			
BECKET	91.8	91.8	95.6				DUXBURY	95.4	95.4	97.6			
BEDFORD	55.0	42.8	65.0	78.3	2.079	166	E-BRIDGEM	83.6	83.6	90.2			
BELCHERTON*	90.9	90.9	95.0				E-BROOKFIE	86.6	86.6	92.3			
BELLINGHAM	83.5	83.5	90.1				E-LONGHEAD	71.1	71.1	79.7			
BELMONT	90.5	90.5	94.8				EASTHAM	91.9	91.9	95.6			
BERKLEY	94.1	94.1	96.9				EASTHAMPTON*	81.4	81.4	88.6			
BERLIN	88.3	88.3	93.4				EASTON	83.1	83.1	89.9			
BERNARDSTON	84.7	84.7	91.0				EDGARTOWN	88.8	88.8	93.7			
BEVERLY	84.6	76.9	86.4	90.9	2.188	59	EGREMONT	88.8	88.8	93.7			
BILLERICA	67.3	51.0	75.7	75.8	5.063	132	ESSEX	29.0	18.8	50.0	65.0	0.183	129
BLACKSTONE	89.9	89.9	94.4				EVERETT	87.6	87.6	92.9			
BLANDFORD	92.2	92.2	95.8				FAIRHAVEN	54.8	27.5	50.0	50.0	8.988	247
BOLTON	81.9	81.9	89.0				FALL RIVER	72.7	72.7	81.2			
BOSTON	54.8	30.1	52.3	52.3	119.575	208	FALMOUTH	74.3	57.6	74.1	77.5	4.585	51
BOURNE	85.7	85.7	91.7				FITCHBURG	89.4	89.4	94.1			
BOXBOROUGH	71.9	71.9	80.4				FLORIDA	76.2	66.7	84.4	87.5	1.463	37
BOYLSTON	98.0	98.0	99.0				FOXBOROUGH	42.1	27.3	50.0	65.0	0.110	160
BRAINTREE	87.6	87.6	92.9				FRAMINGHAM	74.0	74.0	82.5	82.1	7.092	111
BREWSTER	66.9	56.0	75.3	83.7	3.094	89	FRANKLIN	73.6	60.4	82.1	82.1		
BRIDGEWATER	93.3	93.3	96.4				FREETOWN	80.0	80.0	87.5			
BRIMFIELD	88.3	88.3	93.4				GARDNER	84.1	73.7	85.8	87.7	0.496	62
BROCKTON	87.2	87.2	92.7				GAY HEAD	78.2	78.2	86.1			
BROOKFIELD	75.2	67.8	83.5	90.1	3.340	36	GEORGETOWN	98.0	98.0	99.0			
BROOKLINE	90.0	90.0	94.5				GILL	87.1	87.1	92.6			
BUCKLAND	89.4	81.6	91.3	91.3	4.387	84	GLOUCESTER	73.7	73.7	82.2			
BURLINGTON	73.7	73.7	82.1				GOSHEN	83.1	76.5	89.8	92.2	1.564	55
CAMBRIDGE	52.1	35.1	65.0	67.3	4.895	215	GRATON	91.2	91.2	98.2			
CANTON	59.8	37.5	62.7	62.7	21.048	231	GROTON	91.2	91.2	95.2			
CARLISLE	69.3	63.1	77.8	91.1	1.100	60	GROVELAND	38.1	38.1	18.7			
CARVER	98.0	98.0	99.0				GRANBY	82.2	82.2	89.1			
CHARLEMONT	79.9	72.7	87.4	91.0	0.480	46	GREAT BARRI	94.1	94.1	96.8			
CHATHAM	83.4	83.4	90.1				GREAT BARRI*	88.7	88.7	93.6			
CHATHAM	84.0	84.0	90.5				GREENFIELD	72.2	72.2	80.8			
CHELMSFORD	88.9	88.9	93.8				GROTON	77.5	73.5	95.6			
CHELSEA	73.9	72.6	82.3	98.2	0.318	10	HADLEY	92.0	92.0	94.8			
CHESTER	58.7	38.2	64.8	65.0	2.354	92	HALLIFAX	90.6	90.6	94.8			
CHESTER	84.7	84.7	91.0				HAMILTON	64.5	64.5	72.5			
CHESTERFIELD	87.8	87.8	93.0				HAMPDEN	84.9	84.9	97.1			
CHESTERFIELD*	80.1	80.1	87.6					92.0	92.0	95.7			

* = FY88 rather than FY89

SHIFTING THE BURDEN

	RES % OF VAL- UATION	RES % RES % MIN OF RES FACTOR	\$ IN MILLIONS SHIFTED TO CIP	PER CAPITA SHIFTED		RES % OF VAL- UATION	RES % RES % MIN OF RES FACTOR	\$ IN MILLIONS SHIFTED TO CIP	PER CAPITA SHIFTED		RES % OF VAL- UATION	RES % RES % MIN OF RES FACTOR	\$ IN MILLIONS SHIFTED TO CIP	PER CAPITA SHIFTED
METHUEN	81.6	78.8	88.7	96.5	0.678	17	PRINCETON	96.8	96.8	98.3	TYNGBORO*	80.3	80.3	87.7
MIDDLEBOROUGH	74.3	64.0	82.7	86.2	0.968	56	PROVINCETON	69.1	69.1	77.7	TYRINGHAM	92.9	92.9	96.2
MIDDLEFIELD	92.4	92.4	95.9				QUINCY	74.4	59.8	80.1	UPTON	92.5	92.5	96.0
MIDDLETON	76.5	76.5	84.7				RANDOLPH	82.4	79.9	89.3	UXBRIDGE	79.7	69.6	87.3
MILFORD	79.4	69.2	84.6	87.1	1.597	66	RAYNHAM	76.7	76.7	84.8	WAKEFIELD	92.0	92.0	95.7
MILLBURY	84.2	84.2	90.6				READING	88.4	88.4	93.5	WALES	81.8	81.8	88.9
MILLIS	86.9	86.9	92.4				REHOBOTH	86.3	86.3	92.1	WALPOLE	57.7	41.1	65.0
MILLVILLE	91.0	91.0	95.1				REVERE	82.9	70.1	84.6	WALTHAM *	85.5	85.5	91.5
MILTON	95.5	93.9	97.7	98.3	0.333	13	RICHMOND	89.9	89.9	94.4	WARE	79.2	72.8	86.8
MONROE	45.2	45.2	65.0				ROCHESTER	82.2	82.2	89.1	WAREHAM	79.9	79.9	87.4
MONSON	87.0	87.0	92.5				ROCKLAND	75.5	75.5	83.8	WARREN	92.4	92.4	95.9
MONTAGUE	76.1	67.8	84.3	89.0	0.334	42	ROCKPORT	90.5	90.5	94.8	WARWICK	77.1	65.6	79.5
MONTGOMERY *	93.5	93.5	96.5				ROME	13.4	8.3	50.0	WASHINGTON*	92.4	92.4	95.9
MOUNT WASHI	94.5	94.5	97.1				ROWLEY	85.7	85.7	91.7	WATERTOWN	77.1	65.6	79.5
NAHANT	96.1	96.1	98.0				ROYALSTON	90.6	90.6	94.8	WAYLAND	92.4	92.4	95.9
NANTUCKET *	87.6	78.2	89.3	89.3	1.473	245	RUSSELL	72.0	63.7	80.6	WEBSTER	82.8	72.5	84.4
NATICK	72.1	72.1	80.6				RUTLAND	94.0	94.0	96.8	WELLESLEY	85.4	85.4	91.4
NEEDHAM	76.9	73.3	85.0	95.2	1.065	39	SALEM	70.0	47.5	67.8	WELLFLEET*	90.0	90.0	94.4
NEW ASHFORD	58.1	45.6	65.0	78.4	0.017	125	SALISBURY	74.3	74.3	82.7	WENHAM	92.8	92.8	96.1
N-BEDFORD *	71.0	56.4	79.5	79.5	4.695	49	SANDISFIELD*	84.8	84.8	91.0	W-BROOKFIELD	67.0	58.8	75.4
N-BRAINTREE	74.7	74.7	83.0				SANDWICH	74.7	74.7	83.1	W-NEWBURY	95.7	95.7	97.6
N-MARLBORO *	87.7	87.7	93.0				SAUGUS	76.4	58.7	76.8	W-SPRINGFIELD	61.5	52.2	68.7
NEW SALEM	93.9	93.9	96.8				SCITUATE	94.2	94.2	96.9	W-STOCKBRIDGE	84.9	84.9	91.1
NEWBURY	94.1	94.1	96.9				SEEKONK	74.4	65.1	82.8	W-TISBURY	94.3	94.3	97.0
NEWBURYPORT	79.2	79.2	86.9				SHARON	90.8	90.8	94.9	WESTBOROUGH	52.1	52.1	65.0
NEWTON	81.5	72.2	88.6	88.6	8.871	108	SHEFFIELD	86.7	86.7	92.3	WESTFIELD	81.2	68.1	83.1
NORFOLK	92.4	92.4	95.9	81.5	0.751	44	SHELBURNE	70.6	70.6	79.2	WESTFORD *	79.3	74.1	86.9
NORTH ADAMS	75.5	61.6	81.5				SHERBORN	96.8	96.8	98.3	WESTHAMPTON	93.3	93.3	96.4
NORTH ANDOVER	79.1	79.1	86.8				SHERLEY	85.8	85.8	91.7	WESTMINSTER	78.6	78.6	86.3
NORTH ATTLE	81.9	81.9	89.0				SHREWSBURY	82.7	82.7	89.5	WESTON	95.3	95.3	97.6
NORTH BROOKFIELD	82.7	82.7	89.6				SHUTESBURY	95.2	95.2	97.5	WESTWOOD	86.9	86.9	92.5
NORTH READIN	82.4	82.4	89.3				SOMERSET *	50.3	32.7	65.0	WHATELY	76.7	76.7	84.8
NORTHAMPTON	74.5	74.5	82.9				SOMERVILLE *	76.3	64.5	84.5	WHITMAN	87.5	87.5	92.8
NORTHBOROUGH	72.9	72.9	81.4				S-HADLEY *	86.9	86.9	92.5	WILBRAHAM	90.0	90.0	94.5
NORTHBIDGE	87.6	87.6	92.9				SOUTHAMPTON	88.8	88.8	93.7	WILLIAMSBURG*	88.3	88.3	93.4
NORTHFIELD	76.8	76.8	84.9				SOUTHBRIDGE	74.2	74.2	82.6	WILMINGTON	56.7	40.7	65.0
NORTON	85.5	85.5	91.5				SOUTHWICK	80.0	80.0	87.5	WINCHESTER	92.0	92.0	95.6
NORWELL	80.6	80.6	88.0				SPENCER	86.9	86.9	92.5	WINDSOR	93.8	93.8	96.7
NORWOOD	62.6	56.4	70.1	90.1	1.296	46	SPRINGFIELD*	87.7	87.7	93.0	WINTHROP	92.8	92.8	96.1
OAK BLUFFS	88.6	88.6	93.5				STERLING	85.3	85.3	91.4	WOBURN	55.8	39.1	65.0
OAKHAM	93.7	93.7	96.6				STOCKBRIDGE	87.2	87.2	92.6	WORTHINGTON	92.1	92.1	95.7
ORANGE	80.6	80.6	88.0				STONEHAM	87.4	84.9	92.8	WRENTHAM	86.3	86.3	91.2
ORLEANS	87.0	87.0	92.5				STOUGHTON	75.8	72.6	84.0	YARMOUTH	85.0	85.0	
OTIS	92.1	92.1	95.7				STOW	86.0	86.0	91.8				
OXFORD	85.2	85.2	91.3				STURBRIDGE	75.0	75.0	83.3				
PALMER	78.6	78.6	86.4				SUDBURY	85.6	79.5	91.6				
PAXTON	95.6	95.6	97.7				SUNDERLAND	84.7	84.7	90.9				
PEABODY	92.8	92.8	96.9	88.8	2.489	54	SUTTON	87.3	87.3	92.7				
PELHAM	76.5	66.5	98.2				SWAMPSCOTT	93.7	90.2	95.0				
PEPPERELL	79.8	79.8	87.3				SWANSEA	80.0	75.1	87.5				
PERU	86.5	86.5	92.2				TAUNTON	80.5	66.0	81.8				
PETERSHAM	92.8	92.8	96.9				TEMPLETON	86.1	86.1	92.0				
PHILLIPSTON	94.2	94.2	96.9				TEWKSBURY	73.6	65.0	82.1				
PITTSFIELD	75.0	66.2	83.3	88.3	2.059	42	TISBURY	83.3	82.4	90.0				
PLAINFIELD	84.4	84.4	90.8				TOLLAND	85.7	85.7	91.7				
PLAINVILLE	74.1	72.0	82.5	97.2	0.076	12	TOPSFIELD	90.0	90.0	94.4				
PLYMOUTH	66.8	66.8	75.1				TOWNSEND	88.6	88.6	93.6				
PLYMPTON	81.8	81.8	88.9				TRURO	84.3	84.3	90.7				

* = FY88 rather than FY89

MUNICIPAL FISCAL CALENDAR

JUNE 1: Municipal Clerk *Deadline for certification of appropriations.* This is done after town meeting so the Accountant may set up the account for each department in the town. Certified appropriations are submitted to the accountant and assessors.

JUNE 1: Assessors *Determine valuation of other-municipal or district land.* In certain communities where land is owned by another community or district, the value of the land is determined by the Assessors in the year following a revaluation year for in-lieu of tax payments.

JUNE 1: Assessors *Submit FY91 Recertification Workplans*

JUNE 15: Department of Revenue *Certification of pipeline company valuations are sent to assessors and owners.*

JUNE 15: Assessors *Deadline for appealing Commissioner's telephone & telegraph valuations to be submitted to the Appellate Tax Board.*

JUNE 20: Assessors *Final date to make omitted or revised assessments.* As required by MGL Chapter 59 Sections 75 and 76, if a property is inadvertently not included or mistakenly under-assessed on the warrant for property taxes, it is the Assessors' role to correct the mistake and assess the property correctly. Such an assessment must be made by the assessor with DOR approval by June 20 of the taxable year or 90 days after the date on which the tax bills are mailed, whichever is later. These assessments are submitted to the Department of Revenue's Property Tax Bureau.

JUNE 30: Assessors *Last day to submit requests for current fiscal year reimbursements of exemptions granted under the various clauses of Chapter 59, section 5.* If an exemption is granted to a residential property owner, the resulting property tax is lowered, hence, the town collects less tax revenues than anticipated. These exemptions are partially reimbursed by the state as indicated under the Payment for Loss of Taxes, Section A of the Cherry Sheet. It is the responsibility of the Assessors to submit all exemptions to the DOR Property Tax Bureau in order that the town be reimbursed for statutory exemption. If the Assessors fail to submit a request, the town's loss of tax revenues will not be offset by exemption reimbursements from the state. These reimbursements may not be filed retroactively for any year.

JUNE 30: Department of Revenue - Bureau of Accounts *Submission of audits Audits completed by CPAs for the previous fiscal year as required by federal guidelines must be completed and submitted by this date.*

DLS COURSES/WORKSHOPS

JUNE 1: Classification Training Workshop
-Plymouth-Carver Intermediate School, Long Pond Rd., Plymouth. Time: 6:45 - 9:45 pm.

REPAIR PLATE USAGE MOST FLAGRANT ABUSE

Each month, City and Town publishes what the Division of Local Services determines to be the incidence of the most flagrant abuse of repair plates on a luxury motor vehicle which was discovered during the preceding month. Each report relates the excise amount for which such a vehicle would be liable were the car to have been properly taxed over the first five years of its life. Because of the DLS's program, much of the otherwise lost revenue will be recovered on the particular vehicle by the municipality where the vehicle is principally garaged.

June's selection:

1989 Mercedes Coupe

Location: Auto Repair Facility
Waltham, MA

Manufacturer's List Price.....\$56,000.00
Five Year Excise Liability.....\$3,150.00

*NOTE: June's will be our last "Most Flagrant Abuse" selection for publication. We feel that we've made our point and we appreciate your enthusiasm for our little feature. Thanks for keeping your eyes peeled and filling the Department of Revenue in on cases of repair plate misuse. Your help benefits everyone. Keep up the good work!

The Latest in Financial Management Assistance

The Municipal Data Management and Technical Assistance Bureau (MDM/TAB) offers consulting services to cities and towns on a wide range of municipal finance topics. All management analysis and assistance are provided at no charge to the community.

MAYNARD AND PLAINVILLE: FINANCIAL MANAGEMENT REVIEW

A management consulting team from the Division's Bureau Accounts, Bureau of Local Assessment, and Municipal Data Management and Technical Assistance Bureau met with local officials to review the towns' financial management organization.

The Plainville review resulted in a number of recommendations among which were the dissolution of the position of town accountant/administrative assistant and the creation of separate full-time positions of town accountant and executive secretary; vesting in the executive secretary responsibility for coordinating the annual budget process, and strengthening the capital planning process.

The Maynard review resulted in recommendations that could be implemented without fundamental changes in the structure of the town's financial offices. Our suggestions included the upgrading of the administrative assistant position to executive secretary. This would strengthen the annual budget process by giving the executive secretary responsibility for its coordination through formalizing communications among financial officials and boards during the budget process and creating a capital planning process.

KINGSTON AND PLYMOUTH: REVENUE AND EXPENDITURE FORECASTS

Following independent requests for technical assistance, the neighboring communities of Kingston and Plymouth recently received multi-year revenue and expenditure forecasts. The Division's Bureau of Accounts, Bureau of Local Assessment, and Municipal Data Management and Technical Assistance Bureau prepared separate three-year forecasts of each town's revenues and expenditures. These reports reviewed the towns' current financial condition and compared the projected annual cost of maintaining the current level of services to projected annual revenues for the period FY90 - FY92. The difference between projected annual revenues and expenditures serves as an estimate of the towns' financial capacity or ability to expand existing programs, provide for salary and wage increases, or finance capital expenditures.

CITY & Town, a publication of the Massachusetts Department of Revenue's Division of Local Services, is published 11 times per year. The Division is responsible for oversight and assistance to cities and towns in achieving equitable property taxation and efficient fiscal management. (617) 727-2300
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Division of Local Services

Stephen W. Kidder,
Commissioner

Edward J. Collins,
Deputy Commissioner

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THE ESTIMATED TAX BILL OPTION

The property tax is a major source of revenue for every city and town, representing over 50% of most municipal budgets. When a community is unable to issue tax bills to its property owners on time (October 1), the collection of tax revenues is delayed and the city or town is frequently forced to turn to short-term borrowing to make ends meet. The interest costs can be steep and few communities are in the position to spare this kind of money in these tight times. In many municipalities, this short-term borrowing will hamper the ability of the treasurer to deal with the various limits of the Tax Reform Act of 1986 (see November/December issue of *CITY & Town*).

Communities in this position have a choice. **Massachusetts law authorizes cities and towns to issue notices of preliminary tax or estimated tax bills when revaluation or other valuation related reasons hold up the tax rate setting process.** Once the Commissioner of Revenue approves the issuance of estimated tax bills, communities can collect property taxes and avoid costly short-term borrowing in anticipation of tax revenue and earn vitally needed investment income.

The Division of Local Services strongly encourages local officials to evaluate the situation in their communities and consider issuing estimated tax bills this year. We're emphasizing this option *now* because it is at the beginning of the fiscal year that communities must start examining the possibility of issuing preliminary tax notices.

The assessors in communities seeking authorization to issue estimated tax bills submit a "Pro Forma" Recapitulation Sheet to the Department of Revenue. The Pro Forma must contain all the information that local finance officials would include in the Tax Rate Recapitulation Sheet (Recap Sheet) *except for the assessed valuations*. Once the community receives approval to mail out the estimated tax bills, the taxpayer receives a bill for one half of the prior year's tax bill. Later, when the community officially sets its tax rate, the taxpayer will be billed for the balance.

Any city or town may be authorized to issue estimated tax bills if a reassessment or other reason has delayed the determination of assessed valuations as of January 1, 1989 for FY90. Cities and towns not undergoing scheduled certification of full and fair cash values may be able issue estimated tax bills if they can demonstrate that a valuation related delay exists.

In order to issue estimated tax bills by October 1, the assessors must make their decision early. They may decide later that they don't want to issue preliminary tax notices and stop the process, but as long as the assessors have voted, the option is open for the community.

In using estimated bills, a community must establish its FY90 tax levy as if it were setting its tax rate for that year. Once this levy is established, it can not increase or decrease except to allow for levy limit adjustments due to tax base growth. The levy limit may never exceed the limits set by Proposition 2 1/2.

There is good incentive for cities and towns unable to issue tax bills on time to use estimated tax bills. A study conducted by the Bureau of Accounts revealed that the average delay in tax collection for communities issuing bills after October 1 is 57 days. This translates into an average cost of \$85,000 per community.

For more information on the potential advantages for your communities in using estimated tax bills, call Hugh Reilly or Anthony Rassias at (617) 727-2300.

CITY & TOWN: PROPOSITION 2 1/2 REFERENDA QUESTIONS

The Division of Local Services recently completed a report on *Proposition 2 1/2 Referenda Questions FY83-FY89*. This report looks at the number of communities attempting and adopting referenda question votes and the dollar impact of these votes, as well as the characteristics of those communities attempting and passing referenda questions.

This issue of **CITY & Town FOCUS** summarizes the information provided in this report, focusing on the experience of communities in attempting and adopting the three types of referenda questions: overrides, debt exclusions, and capital outlay expenditure exclusions. Information is provided on votes reported to the Department of Revenue by communities that had set their FY89 tax rates by April 1, 1989.

A future **CITY & Town** article will summarize the report's findings analyzing the characteristics of communities that have attempted and adopted referenda questions, including population size, wealth, age of population, public school enrollment, and Kind of Community.

FINDINGS

Since 1982, **63%** of Massachusetts communities — a total of **221** communities — have attempted at least one of the three referenda questions. A total of **174** communities — **50%** of all the state's municipalities — have passed at least one of these questions.

Referenda question attempts and successes are on the increase: more communities are attempting and passing overrides and exclusions, for larger dollar amounts.

Overrides

Since 1982, there have been a total of **544** override votes taken by **149** communities (**42%** of the state's municipalities). **251** of these votes have passed, while **293** of these votes have failed, for an overall passage rate of **46%**.

From FY83 through FY88, the success rate for override votes averaged **40%**. For FY89 to date, the success rate is **65%**. **26%** of the state's communities — a total of 91 communities — have passed at least one override vote.

Communities have passed a total of **\$36.2 million** in overrides from FY83 through FY89. This represents less than 1% of the statewide levy limit. \$23.3 million of this has been added in FY89 alone.

Override Amounts Added By Year

Year	Amount Added
83	\$ 1,540,486
84	\$ 1,058,451
85	\$ 1,276,766
86	\$ 772,248
87	\$ 2,247,235
88	\$ 6,050,532
89	\$ 23,256,651
Total	\$ 36,202,369

FY89 was the first year for which override votes were affected by the legislation passed in July, 1987 requiring that each override question include a statement of purpose.

The majority of override questions placed on ballots for FY89 fall into two major categories: Over half

Override Votes By Year

Year	# Communities*	# Votes	# Wins	# Losses	Rate
83	50/21	70	24	46	34%
84	47/16	62	19	43	31%
85	24/14	33	16	17	48%
86	23/13	42	17	25	40%
87	58/34	93	38	55	41%
88	63/41	111	50	61	45%
89	66/57	133	87	46	65%

* # Communities Attempting/# Communities Passing

(55%) of the questions were for specific, individual municipal purposes, such as "Stabilization Fund" or "Operating the Teen Center Program."

These questions had a passage rate of 48%.

One third (34%) of the questions were for municipal operating expenses, stated generally or listing municipal functions (such as Public Safety) or specific departments. Examples of these questions include: "Funding a portion of the operating budget," "operating a transfer station and paying for the increase in the school budget", and "Providing for the General Administration, Town Committee, Protection of Persons and Property, and Schools."

These questions had a passage rate of 85%.

The remaining questions fall into two categories: those specifically for school purposes (7%) and those for solid waste purposes (4%).

Questions for school purposes had a passage rate of 63%; those for solid waste purposes were all successful.

Debt Exclusions

Since 1982, there have been a total of 800 debt exclusion votes taken by 51% of Massachusetts communities — a total of 180 communities. 598 of these votes have passed, while 202 of these votes have failed, for an overall passage rate of 75%. 43% of all the state's municipalities — a total of 150 communities — have passed at least one debt exclusion vote.

Debt Excluded By Year

Year	Amount Excluded
83	\$ 1,584,163
84	\$ 5,775,788
85	\$ 8,625,632
86	\$ 15,299,067
87	\$ 27,253,292
88	\$ 41,387,152
89	\$ 58,580,735
Total	\$158,505,829

The predominant purposes for which communities have voted to exclude debt include school (18%), land (13%), water (9%), and sewer projects (9%).

Capital Outlay Expenditure Exclusions

Since March 1987, there have been a total of 144 capital outlay expenditure exclusion votes taken by 23 communities — 7% of the state's communities. 103 of these votes have passed, while 41 of these votes have failed, for an overall passage rate of 72%. 6% of the state's municipalities — a total of 29 communities — have passed at least one capital outlay expenditure exclusion vote.

Capital Projects Excluded By Year

Year	Amount Excluded
88	\$ 2,368,289
89	\$ 3,538,938
Total	\$ 5,907,227

Capital exclusions are predominantly used for equipment purchases.

Debt Exclusion Votes By Year

Year	# Communities*	# Votes	# Wins	# Losses	Rate
82	34/17	40	20	20	50%
83	39/31	61	48	13	77%
84	53/44	83	69	14	83%
85	48/40	91	72	19	79%
86	77/61	186	129	57	69%
87	92/78	207	164	43	79%
88	49/42	131	95	36	73%

* # Communities Attempting/# Communities Passing

Capital Outlay Expenditure Exclusion Votes By Year

Year	# Communities*	# Votes	# Wins	# Losses	Rate
88	15/11	65	56	9	86%
89	15/15	79	47	32	59%

* # Communities Attempting/# Communities Passing

The printouts show (1) Communities that have passed Overrides with a listing, by community, of the amount of overrides permanently added to levy limits per fiscal year; (2) Communities that have passed Debt Exclusions, with a listing, by community, of the amount of debt temporarily excluded from levy limits per fiscal year; and (3) Communities that have passed capital outlay expenditure exclusions, with a listing, by community, of the amount of capital projects temporarily excluded from levy limits per fiscal year.

This **FOCUS** was prepared by Tony Rassias and Hugh Reilly of the Bureau of Accounts, Roger Hatch, Burt Lewis, and John Sanguinet of the Municipal Data Bank, and Leslie Kirwan and Julie Slavet of the Analysis Unit. For more information, contact the Analysis Unit at 727-2300.

1: Communities that have passed Overrides

* MUNICIPALITY	FY83	FY84	FY85	FY86	FY87	FY88	FY89	TOTAL
ALFORD	37,635		5,000	6,000	6,661	7,566		62,862
ASHFIELD	15,116				17,846	19,121		52,083
BECKET						49,798	20,000	69,798
BERLIN						30,000	5,992	35,992
BLANDFORD					11,390	13,731		25,121
BOLTON		39,763	43,810	47,107	52,136	57,217		240,033
BREWSTER	87,985							87,985
CARLISLE	69,449	75,986	81,103			105,800		332,338
CARVER						1,638,929		1,638,929
CHARLEMONT					14,351			14,351
CHATHAM						259,610	190,000	449,610
CHESTER						11,673		11,673
CHESTERFIELD						14,384		14,384
CHILMARK		56,944	129,757	192,147		207,861		586,759
CLARKSBURG		85,000						85,000
COHASSET							659,911	659,911
CONWAY					16,000	18,580	30,000	64,580
CUMMINGTON			15,000				7,000	22,000
DEDHAM							1,852,899	1,852,899
DOVER							343,000	343,000
EASTHAM						515,357	416,880	932,237
EDGARTOWN					324,444		489,000	813,444
EGREMONT						30,000	90,000	120,000
ESSEX							40,000	40,000
FALMOUTH							806,250	806,250
FLORIDA				14,000				14,000
GAY HEAD					95,621	110,000	64,320	269,941
GOSHEN					11,058			11,058
GOSNOLD	54,895							54,895
GROTON					86,995			86,995
GROVELAND							16,500	16,500
HADLEY				45,623	48,602			94,225
HALIFAX							205,558	205,558
HAMILTON					119,101		195,000	314,101
HANOVER							642,126	642,126
HAWLEY	18,000		35,000			4,802	38,000	95,802
HEATH						27,984		27,984
HOLLAND						49,183		49,183
HOLLISTON							560,000	560,000
HUBBARDSTON							38,000	38,000
LEVERETT							56,944	56,944
LINCOLN	100,779	105,637				137,629	431,986	776,031
LONGMEADOW					291,208			291,208
MANSFIELD							920,892	920,892

1: COMMUNITIES THAT HAVE PASSED OVERRIDES

* MUNICIPALITY	FY83	FY84	FY85	FY86	FY87	FY88	FY89	TOTAL
MARION						83,224	313,986	397,210
MASHPEE							216,235	216,235
MATTAPOISETT							680,508	680,508
MIDDLEFIELD					4,300	20,000	40,000	64,300
MILLVILLE							200,000	200,000
MONROE		10,478						10,478
MONTEREY					115,000			115,000
MONTGOMERY		7,320	7,687		8,931	9,200		33,138
NANTUCKET							2,476,023	2,476,023
NEW ASHFORD		13,000			33,500		32,000	78,500
NEW MARLBOROUGH	80,096				16,551	19,125		115,772
NORTHAMPTON							650,000	650,000
OAK BLUFFS							250,000	250,000
ORLEANS							1,210,000	1,210,000
OTIS	66,489	16,530	55,972	120,667	22,291	39,807	95,881	417,637
PAXTON							84,382	84,382
PELHAM						17,800	110,000	127,800
PERU	6,700				61,000			67,700
PHILLIPSTON	5,020			5,272	7,000	17,500		34,792
PLAINFIELD	71,575							71,575
PLYMOUTH		198,542	543,219				3,507,662	4,249,423
PRINCETON	31,000	32,600			38,000	372,000	90,000	563,600
RICHMOND							59,000	59,000
ROWE	150,000							150,000
SANDWICH							1,602,243	1,602,243
SAVOY							30,000	30,000
SHARON							900,000	900,000
SHUTESBURY				14,846			147,821	162,667
STOCKBRIDGE							150,000	150,000
STOW			85,000	91,500	97,971	107,390	152,800	534,661
SUNDERLAND					43,000		90,000	133,000
TISBURY	55,814			68,572	261,379	1,000,000	108,475	1,494,240
TOLLAND			34,500		34,190			68,690
TRURO				75,000	75,000	191,569	136,000	477,569
TYNGSBOROUGH							576,000	576,000
TYRINGHAM		31,000			30,000			61,000
WARWICK						8,100	43,465	51,565
WAYLAND	260,000							260,000
WELLFLEET					36,349	27,000		63,349
WENDELL					25,000	55,000	60,212	140,212
WENHAM						63,217	70,000	133,217
WEST STOCKBRIDGE	46,650				18,319	105,759		170,728
WEST TISBURY		75,000	75,000	75,000	194,106	225,471	597,000	1,241,577
WESTHAMPTON	13,049	13,701	15,718	16,514	16,935	18,682		94,599
WESTON	266,000	274,000	150,000			341,600	362,700	1,394,300
WINDSOR	27,000	22,900			13,000	7,200	15,000	85,100
WORTHINGTON	77,234					11,663	79,000	167,897
GRAND-TOTAL	1540486	1058451	1276766	772248	2247235	6050532	23256651	36,202,369
	21	16	14	13	34	41	56	91

2: Communities that have passed Debt Exclusions

MUNICIPALITY	FY83	FY84	FY85	FY86	FY87	FY88	FY89	TOTAL
ABINGTON		626,360	600,080	573,800	521,240	521,240	510,991	3,353,711
ACTON	49,661	212,016	177,365	167,675	603,476	1,167,490	1,028,856	3,406,539
ASHBURNHAM				75,883	174,966	173,528	264,941	689,318
ASHLAND				155,000	155,000	363,000	506,080	1,179,080
ATHOL			40,523				22,376	62,899
AVON			195,000		412,500	434,500	336,720	1,378,720
BARNSTABLE					1,406,552	2,212,255	3,040,880	6,659,687
BARRE					86,698	243,534	336,000	666,232
BECKET							30,273	30,273
BEDFORD				196,000	922,000	1,283,655	1,245,305	3,646,960
BELCHERTOWN				318,965	308,114	308,114		935,193
BELLINGHAM							285,975	285,975
BELMONT						500,000	1,796,569	2,296,569
BERKLEY							399,804	399,804
BERLIN					3,080	25,535	51,704	80,319
BILLERICA					93,167	486,878	463,123	1,043,168
BLANDFORD			9,643		35,400	34,933	24,912	104,888
BOURNE							746,454	746,454
BOXBOROUGH			91,750	108,358	120,146		209,445	529,699
BOXFORD		4,764	44,932	85,563	225,934		147,646	508,839
BREWSTER		192,000	738,310	953,505	844,225	1,267,344	2,549,769	6,545,153
CARLISLE				121,542	218,809	586,254	1,063,597	1,990,202
CARVER			299,382	319,665	335,513	662,779		1,617,339
CHARLEMONT					7,451		44,310	51,761
CHARLTON						281,280	331,545	612,825
CHATHAM					501,000	458,975	785,400	1,745,375
CHESHIRE						62,700		62,700
CHESTER			18,402	16,342	30,186	24,923		89,853
CHESTERFIELD						23,218		23,218
CHILMARK				59,000		55,538	114,622	229,160
CUMMINGTON		442			26,510	24,575	39,500	91,027
DALTON		14,488	14,488	11,556	6,795	683		48,010
DENNIS				379,198	241,375	246,500	569,210	1,436,283
DOUGLAS					205,297	217,350	238,344	660,991
DOVER						467,110	372,160	839,270
DUXBURY						399,559	387,830	787,389
EASTHAM							376,743	376,743
EASTON				242,080	264,280	215,560		721,920
EDGARTOWN			140,691	133,515	144,558	966,120	971,220	2,356,104
ESSEX					18,420	15,770	18,040	52,230
FALMOUTH					1,949,543	2,479,460	2,587,832	7,016,835
FOXBOROUGH				261,225	511,999	697,050	1,016,431	2,486,705
GAY HEAD						61,780	141,934	203,714
GEORGETOWN						8,581	63,681	72,262
GOSHEN					12,940	12,352		25,292
GROTON				7,100	50,500	77,000	202,320	336,920
HADLEY				129,408	120,783	300,500	220,560	771,251
HAMPDEN		66,094	68,242	63,947				198,283
HANSON							308,127	308,127
HARVARD							89,038	89,038
HARWICH			430,616	838,664	1,012,188	960,183	2,207,042	5,448,693
HINGHAM						30,000	633,065	663,065
HOLBROOK		121,850	115,000	661,280	596,160	568,450	1,145,435	3,208,175
HOLLISTON				102,655	185,748	356,099	322,498	967,000
HOPKINTON					83,308	371,114	264,588	719,010
HUBBARDSTON			35,755	27,475	20,975	52,062	108,803	245,070
HULL					56,000	251,521	342,315	649,836

2: COMMUNITIES THAT HAVE PASSED DEBT EXCLUSIONS

* MUNICIPALITY	FY83	FY84	FY85	FY86	FY87	FY88	FY89	TOTAL
KINGSTON				60,000	296,258	331,030	810,567	1,497,855
LEE		147,201	68,575				137,947	353,723
LEXINGTON							711,000	711,000
LINCOLN			276,000	400,260	382,580	568,740	1,240,410	2,867,990
LITTLETON						459,950		459,950
LONGMEADOW					449,704	386,863	326,622	1,163,189
LUNENBURG				38,150	93,910	92,018	104,476	328,554
MANCHESTER						190,552	69,100	259,652
MANSFIELD	30,000	401,400	422,028	552,255	686,483	705,375	695,433	3,492,974
MARBLEHEAD							38,000	38,000
MARSHFIELD		150,250					120,875	271,125
MASHPEE				186,004	266,250	1,026,643	1,216,017	2,694,914
MATTAPOISETT							55,253	55,253
MEDFIELD							126,160	126,160
MILLIS				107,343	133,405	149,845	790,640	1,181,233
MILTON							865,830	865,830
MONTEREY			19,250	18,325	17,400		15,550	70,525
MONTGOMERY			14,862	19,427	12,526	28,420		75,235
NANTUCKET		540,000	514,400	486,513	1,652,695	3,155,201	3,349,067	9,697,876
NEW ASHFORD	4,500	5,000	5,000		5,000	5,000	4,375	28,875
NEW MARLBOROUGH				63,750	59,350	60,589		183,689
NORFOLK				213,644	207,350	198,250	189,150	808,394
NORTH READING							30,000	30,000
NORTHFIELD						47,000		47,000
ORLEANS				203,535	277,890	768,450	1,147,255	2,397,130
OTIS						26,749	40,763	67,512
PERU			6,449	5,900	5,500	6,470	7,888	32,207
PHILLIPSTON			17,900	25,140	26,432	41,334	54,237	165,043
PLYMOUTH			801,241	638,735	1,735,065	2,207,358	2,024,238	7,406,637
PRINCETON			82,282	76,761	70,263	62,542	24,159	316,007
ROCHESTER							108,376	108,376
ROCKLAND		536,769	623,625	594,938	556,250	537,563	483,875	3,333,020
ROCKPORT							188,135	188,135
ROWLEY			19,351				129,434	148,785
SANDWICH			37,605	742,512	671,367	1,872,320	2,610,302	5,934,106
SEEKONK							23,215	23,215
SHERBORN				57,000	300,000	271,064	135,660	763,724
SHREWSBURY						248,850	231,525	480,375
SHUTESBURY				35,038	33,662	6,726		75,426
SOMERSET	119,180	466,240	202,000	417,760	393,520	369,280	340,292	2,308,272
SOUTHAMPTON				22,000	72,870		66,819	161,689
SOUTHBOROUGH							40,550	40,550
SOUTHBRIDGE					231,712	220,495	186,747	638,954
SOUTHWICK		202,841	192,769	182,697	142,625	109,875	104,063	934,870
STERLING							106,400	106,400
STOW	68,750	65,283	88,693	130,122	245,016	122,601	347,768	1,068,233
STURBRIDGE							190,826	190,826
SUNDERLAND							255,000	255,000
SUTTON	107,816	346,050	328,590	311,130	293,670	276,210	361,106	2,024,572
TISBURY					191,475	177,759	318,596	687,830
TOLLAND							6,514	6,514
TOPSFIELD							250,948	250,948
TRURO			26,663	24,581	33,447	31,804		116,495
TYNGSBOROUGH		242,835	204,695	228,035	207,166	190,706	182,524	1,255,961
TYRINGHAM							22,200	22,200
WAYLAND			21,112	132,200	319,226	463,726	988,275	1,924,539

2: COMMUNITIES THAT HAVE PASSED DEBT EXCLUSIONS

* MUNICIPALITY	FY83	FY84	FY85	FY86	FY87	FY88	FY89	TOTAL
WELLESLEY	231,581	218,313	198,563	189,187	179,813	486,212	466,300	1,969,969
WELLFLEET				50,925	46,275	295,975		393,175
WENHAM							156,687	156,687
WEST NEWBURY						25,000	136,368	161,368
WEST STOCKBRIDGE					25,006	7,567		32,573
WEST TISBURY				430,000	502,980	154,350	170,063	1,257,393
WESTHAMPTON					32,000		29,466	61,466
WESTMINSTER		47,501	100,282	92,458	85,180	217,219	247,895	790,535
WESTON	55,825	129,381	223,158	323,181	784,565	1,103,788	1,043,312	3,663,210
WESTWOOD	255,000	696,400	665,200	634,000	602,800	571,600	540,400	3,965,400
WHITMAN					666,900	731,150	1,615,400	3,013,450
WILMINGTON	540,000	464,160	445,160	1,596,160	1,727,870	1,653,100	1,574,560	8,001,010
WINCHENDON						161,645	152,395	314,040
WINDSOR					17,000	21,136	20,111	58,247
WORTHINGTON							74,150	74,150
YARMOUTH						584,000	1,515,453	2,099,453
STATE TOTAL	1,584,163	5,775,788	8,625,632	15,299,067	27,253,292	41,387,152	58,580,735	158,505,829
	11	23	42	60	81	93	112	129

3: Communities that have passed Capital Outlay Expenditure Exclusions

* MUNICIPALITY	FY88	FY89	TOTAL	* MUNICIPALITY	FY88	FY89	TOTAL
ALFORD	34,000		34000	PLYMPTON		60,000	60000
BERLIN		43,635	43635	SHEFFIELD	123,959		123959
BOXFORD		100,000	100000	SOUTHBOROUGH		223,400	223400
CHATHAM	882,732		882732	TISBURY	397,000	161,554	558554
COHASSET		220,890	220890	TRURO	97,000	201,187	298187
EDGARTOWN	100,000	541,400	641400	WENHAM	159,330	186,000	345330
HAMILTON		162,000	162000	WEST STOCKBRIDGE	64,727		64727
HINGHAM		240,000	240000	WEST TISBURY	196,000	9,000	205000
MATTAPOISETT	295,400	902,022	1197422				
NANTUCKET		212,000	212000				
NEW MARLBOROUGH	18,141		18141	STATE TOTALS:	2,368,289	3,538,938	5,907,227
OAK BLUFFS		275,850	275850		11	15	20

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Division of Local Services

Stephen W. Kidder,
Commissioner



Edward J. Collins,
Deputy Commissioner

EXEMPTIONS FOR PROPERTY HELD IN TRUST

A number of inquiries have been made to the Division's Property Tax Bureau recently regarding eligibility for a property tax exemption where a parcel is held in trust. In the landmark trust ownership case of *Kirby v. Board of Assessors of Medford*, 350 Mass. 386 (1966), the Supreme Judicial Court denied a property owner an exemption.

Joseph Kirby owned a home in Medford which he decided in 1957 to place in trust under a recorded, revocable, amendable declaration of trust with a certain Thomas Colbert as trustee. The trustee was given the power to lease or sell the premises and upon sale the proceeds were to be distributed to Kirby. The trust was to continue until Kirby's death at which time the assets were to be distributed in accordance with the terms of his will, and in the event of no provision in the will, to Kirby's children.

In 1964 Kirby filed an application for an elderly exemption under Chapter 59, Section 5, Clause 41. The assessors denied the application and the taxpayer appealed to the Appellate Tax Board which upheld the assessors. Kirby then sought review by the Supreme Judicial Court. The assessors argued on appeal that Kirby, who otherwise qualified for a Clause 41 exemption, failed to satisfy the statute's ownership requirement. The issue then before the Court was whether or not property had to be assessed to and occupied by the holder of legal title in order to be eligible for exemption under Clause 41.

Under Chapter 59, Section 11, the parcel was assessed to the trustee who had record title. Under the terms of Kirby's revocable trust, legal title to the property had been transferred to the trustee, subject to the terms of the trust instrument. Yet, Kirby's power of amendment and revocation made beneficial ownership of the trust property essentially equivalent to outright ownership. In every beneficial sense, Kirby was the owner of the property. In this instance, however, it was necessary for the Court to

interpret the exemption clause in light of its purpose and prior Court rulings. The legislative purpose of this property tax exemption was to alleviate the hardships experienced by certain elderly taxpayers. In its language, Clause 41 purports to exempt "Real property . . . of a person" who meets certain other qualifications.

According to the Court, by placing his property in trust, Kirby voluntarily chose to hold his property in a form which separates legal title and beneficial ownership. In accordance with the principle of strict construction of exemption statutes, the Court held that both legal title and a sufficient beneficial interest are required for exemption. Although he had a sufficient beneficial interest, Kirby did not hold the record legal interest, for it had been vested in the trustee. Kirby was therefore denied the exemption.

Whenever property held in trust is the subject of an exemption application, the assessors must determine whether the ownership interest under the trust satisfies the ownership requirement of the exemption statute. Ownership interest for the purpose of receiving a tax exemption requires "not only ownership of a sufficient beneficial property interest, but also ownership of a record legal interest, as a condition of obtaining the exemption".

INSIDE ...

- o Capital Improvements and Stabilization Funds
- o Prop 2 1/2 Referenda Questions
- o Something New From the Bureau of Accounts

ESTABLISHING A STABILIZATION FUND

Faced with the property tax raising limitations of Proposition 2½, over the past few years many communities have deferred capital maintenance in order to provide for operational needs. Only recently have some of these communities begun again to target resources towards important capital replacement, maintenance, and development efforts.

However, as Massachusetts cities and towns once again face difficult fiscal times — which bring along with them a keen competition for resources for a variety of municipal purposes — it is crucial that they find ways to cope with the “struggle” between devoting resources to operating versus capital purposes. A well developed **capital improvements program**, one component of which is a **stabilization fund**, can assist communities to effectively carry out their responsibility to plan, finance, and implement capital improvements. The exercise of this municipal function is even more significant as communities confront periods of limited resources.

A capital improvements program can serve as a tool to enable communities to foster serious discussion around capital investment decisions. A capital plan, prepared on a five year basis, can ensure that a community won't regularly face capital “surprises” and capital “wish lists” at Town Meeting, but instead sets priorities and schedules for future capital requirements. Such a plan can help to maximize stability in the capital appropriations process, and thus the overall municipal appropriations process as well. Communities are able to plan more effectively for borrowing and tax levying, for example. This type of stability is extremely valuable, especially with revenue constraints.

A number of communities have established capital improvements programs, as well as stabilization funds. The Town of Southborough provides one example of a community whose Capital Budget Planning Committee implements a capital improvements process on an ongoing basis, with a stabilization fund in place as an integral part of its program. The objectives of Southborough's Capital Budget Planning Committee (CBPC) are to identify and report future capital expenditure requests to the Town, as an aid in the financial planning process.

In its *Report of the Capital Budget Planning Committee for the Annual Town Meeting, April 1988*, the CBPC Committee proposes that the Town contribute \$100,000 to the Stabilization Fund. The Committee states that the purpose of the fund is to equalize the effect of capital

expenditures over time, as capital appropriations can be very volatile from year to year. The balance in the fund will build up during years in which expenditures for capital items are low. Then, in years with high capital expenditures, the Town will transfer money from the fund to reduce the effect on the tax rate or the amount of borrowing required.

Southborough is just one of a number of communities that use a capital improvements program, supplemented by a stabilization fund to strategically identify and plan for capital improvements on the municipal level.

Massachusetts communities are permitted (according to G.L. Chapter 40, Section 5B) to appropriate an amount of money each year to be held in a fund known as the **stabilization fund**. The stabilization fund is a source of funding for capital expenditures for which a community is authorized to borrow (Chapter 44, Sections 7 or 8). This fund is a mechanism for setting aside money to pay for capital projects.

As of June 30, 1988, a total of **294** communities (**84%** of the state's communities) had stabilization fund balances totalling **\$96.3 million**, with an average balance of **\$327,500**. Another **56** communities (**16%**) had stabilization fund balances of zero. Data was not available for one community.

A community may appropriate up to 10% of its tax levy each year, as long as the balance in the fund does not exceed 10% of the community's Equalized Valuation. Interest earned on any fund balance is retained as part of the fund.

Appropriations into a stabilization fund can be made at either an annual or special town or district meeting. Chapter 94 of the Acts of 1985 permits appropriations to be made from a stabilization fund at a special town or district meeting, not just at the annual meeting. Regardless of the timing, appropriations from the stabilization fund require a two thirds vote of the appropriating authority.

For more information on how to develop a capital improvements program and/or a stabilization fund, or to obtain a copy of the Division's manual, *Developing a Capital Improvements Program*, contact the A. Louis Hayward, Chief, Municipal Data Management/Technical Assistance Bureau or Rob Addelson, Section Chief, Technical Assistance Unit, Division of Local Services, (617) 727-2300.

A regular supplement to *CITY & Town*

PROPOSITION 2½ REFERENDA QUESTIONS: Community Characteristics

Last month's **CITY & Town FOCUS** summarized the experience of communities in attempting and adopting referenda question votes and the dollar impact of these votes, with information drawn from the publication recently released by the Division, *A Report on Proposition 2½ Referenda Questions*. This report includes votes taken by communities to affect FY83 through FY89 tax rates.

This issue of **FOCUS** will summarize the report's findings in response to the questions "What kinds of communities are likely to attempt Proposition 2½ referenda?" and "Where are referenda likely to pass?" *A Report on Proposition 2½ Referenda Questions* concludes that there are significant relationships between referenda attempts and approval and certain community characteristics, examining such factors as population size, wealth, age of population, public school enrollment, and community type. (See note at the end of this **FOCUS** for detail on statistical method.)

Use of the referenda questions has been limited almost solely to communities with a town form of government. This report found that of the Commonwealth's 39 cities, only one had attempted an override, which passed, while three had attempted debt exclusions, all of which failed. The analysis which follows therefore excludes cities and attempts to isolate the relationship between use of overrides and particular demographic characteristics in Massachusetts' 312 towns. Since the release of this report, two additional cities have attempted override votes, with neither vote passing.

Population

It has frequently been observed that the use of referenda questions is a "small town phenomenon". In other words, smaller communities are more likely to attempt and pass referenda. In fact, there is a statistically significant relationship between population size and referenda votes, a relationship that holds true for both overrides and exclusions.

Overrides. The smaller the town, the more likely it is to attempt an override vote and to approve it. As the table below shows, 69% of the state's smallest towns (under 2430 residents) have attempted overrides, as compared to only 24% of towns in the largest population category (over

14,109 residents). The difference in rates of passage is even more dramatic: 94% of override attempts in the smallest towns have passed, as compared to 32% in the largest towns.

Population Group	% In Group Attempting	% Attempts that Pass
I. 14,109 and over	24%	32%
II. 7086-14,108	60%	49%
III. 2431-7085	36%	36%
IV. 2430 and under	69%	94%

Exclusions. There is also a relationship, though less dramatic, between population size and use of exclusions. In particular, there is a strong relationship between population size and success rate, with a less marked relationship between population and attempts.

Population Group	% In Group Attempting	% Attempts that Pass
I. 14,109 and over	54%	64%
II. 7086-14,108	67%	90%
III. 2431-7085	58%	84%
IV. 2430 and under	53%	98%

Wealth

Another belief is that the use of referenda questions is related to the wealth of communities. We have examined the relationship between use of referenda and two wealth measures: Per Capita Income and Equalized Valuation Per Capita, a measure of property wealth.

Per Capita Income — Overrides. While, as the following table shows, towns in the highest income group are the most likely to attempt override votes, there is no statistically significant relationship between per capita income and use of overrides.

Income Group	% In Group Attempting	% Attempts that Pass
I. \$14,299 and up	54%	67%
II. \$11,904-14,298	46%	61%
III. \$10,459-11,903	44%	47%
IV. \$10,458 and under	46%	67%

Per Capita Income — Exclusions. There is a relationship between income and exclusion attempts, with towns in the higher income groups more likely to attempt exclusions. There is no apparent relationship between income and success rates.

Income Group	% In Group Attempting	% Attempts that Pass
I. \$14,299 and up	71%	85%
II. \$11,904-14,298	63%	84%
III. \$10,459-11,903	55%	88%
IV. \$10,458 and under	42%	79%

EQV Per Capita — Overrides. There is a statistically significant relationship between EQV and override attempts and passage. As the table below shows, towns with the highest EQV per capita are significantly more likely both to attempt and to pass overrides than other towns.

EQV Group	% In Group Attempting	% Attempts that Pass
I. \$89,475 and up	62%	81%
II. \$61,538-89,474	45%	54%
III. \$47,008-61,537	47%	54%
IV. \$47,007 and under	36%	43%

EQV Per Capita — Exclusions. Towns with higher EQV per capita are also more likely to attempt and pass exclusions, with a stronger relationship in attempts than in the success rate.

EQV Group	% In Group Attempting	% Attempts that Pass
I. \$89,475 and up	76%	95%
II. \$61,538-89,474	62%	79%
III. \$47,008-61,537	53%	80%
IV. \$47,007 and under	41%	78%

Age

Is the age of a community's population related to its use of referenda questions? It has been postulated that a high proportion of elderly residents, whose tax bills are generally high relative to their income and who make low use of high-cost public education services, would tend to weigh against referenda attempts. Our findings show that communities with the largest segment of their populations over 60 years of age do not use overrides any more or less than other communities but do tend to use exclusions less than other communities.

Overrides. As shown in the figures below, the percent of the population over 60 is not statistically significantly related to use of overrides. Interestingly, however, in towns with large

elderly populations that in fact attempt overrides, there appears to be a higher passage rate than in other towns.

Percent of Population Over 60	% In Group Attempting	% Attempts that Pass
I. 18.676% and up	45%	83%
II. 15.51% to 18.675%	44%	59%
III. 12.21% to 15.50%	44%	47%
IV. Under 12.21%	57%	56%

Exclusions. Larger elderly populations do seem to be statistically related to lower numbers of exclusion attempts. However, once a community decides to attempt an exclusion, the passage rate does not seem to be related to population age. As discussed earlier, school debt is the purpose for which exclusions are most often voted.

Percent of Population Over 60	% In Group Attempting	% Attempts that Pass
I. 18.676% and up	55%	86%
II. 15.51% to 18.675%	55%	81%
III. 12.21% to 15.50%	45%	80%
IV. Under 12.21%	76%	88%

Public School Enrollment

Is the level of enrollment in the community's public schools associated with the use of referenda questions? A city or town's education system represents a significant and relatively high-cost public service. The need for additional school spending is frequently the driving force behind override and exclusion attempts. Yet not all voters have children in the public schools, with the use of private and parochial alternatives varying widely by community. It has been thought that where more voters feel they benefit from the public school system, they will be more likely to support increases in local spending resulting from referenda than in communities where public education is less widely used.

Our findings, however, do not support this assumption. Public school enrollment per capita does not appear to be related to attempts or successes of either overrides or exclusions, as shown below.

Overrides.

Public School Enrollment as % Total Population	% In Group Attempting	% Attempts that Pass
I. 18.376% and up	54%	59%
II. 16.71% to 18.375%	48%	57%
III. 14.53% to 16.70%	38%	57%
IV. Under 14.53%	50%	69%

Exclusions.

Public School Enrollment as % Total Population	% In Group Attempting	% Attempts that Pass
I. 18.376% and up	58%	82%
II. 16.71% to 18.375%	66%	92%
III. 14.53% to 16.70%	52%	78%
IV. Under 14.53%	55%	84%

Community Type

To characterize the types of communities that have made the greatest use of referenda questions, we correlated referenda attempts and successes with communities as classified by the Department of Education's "Kind of Community" classification. This showed a statistically significant relationship between community type and use of referenda, as described below. (NOTE: In this analysis, unlike those above, cities are included as part of the Urbanized Centers category.)

Overrides. Community types differ widely in their use of overrides. Only 4% of urbanized centers (2 communities) have attempted overrides, with one passing. At the other end of the spectrum, 78% of resort/retirement/artistic communities have attempted at least one override, with each of these communities (100%) passing at least one override. Over 60% of residential suburbs and small rural communities have attempted overrides, as have roughly half of growth communities. In contrast, economically developed suburbs and rural economic centers have attempted far fewer overrides.

Kind of Community	% In Group Attempting	% Attempts that Pass
I. Urbanized Centers	4%	50%
II. Ec. Dev. Suburbs	22%	8%
III. Growth Communities	48%	45%
IV. Residential Suburbs	68%	67%
V. Rural Economic Centers	26%	25%
VI. Small Rural Communities	61%	68%
VII. Resort/Retirement/Artistic Communities	78%	100%

Exclusions. There is also a statistically significant relationship between Kind of Community and use of exclusions. As with overrides, urbanized centers attempted and passed the fewest exclusions, and resort/retirement/artistic

communities attempted and passed the highest percentages. Also, over 70% of both growth communities and residential suburbs attempted exclusions, with high success rates.

Kind of Community	% In Group Attempting	% Attempts that Pass
I. Urbanized Centers	9%	25%
II. Ec. Dev. Suburbs	51%	63%
III. Growth Communities	72%	82%
IV. Residential Suburbs	77%	90%
V. Rural Economic Centers	36%	73%
VI. Small Rural Communities	46%	95%
VII. Resort/Retirement/Artistic Communities	78%	100%

NOTE: Analysis was performed using Chi-Square cross-tabulation, with all communities separated into equal-sized categories of the independent variable. All relationships identified as statistically significant are significant at the .01 level. Furthermore, all relationships tested significant with cities included in the analysis as well as excluded from it. Information is provided on votes reported to the Department of Revenue by communities that had set their FY89 tax rates by April 1, 1989.

This issue of **CITY & Town FOCUS** was prepared by Tony Rassias and Hugh Reilly of the Bureau of Accounts, Roger Hatch, Burt Lewis, and John Sanguinet of the Municipal Data Bank, and Leslie Kirwan and Julie Slavet of the Analysis Unit. For more information, contact the Analysis Unit at 727-2300.

Taking into Account

CLOSING THE BOOKS

The following is the first in a series of articles addressing municipal accounting issues. Each month, **CITY & Town** will feature a brief account of how local officials worked with Bureau staff to solve a technical problem.

You may be interested in reading about a certain municipal accounting topic or know of a community which has developed innovative practices that could be highlighted. We'd be most interested in hearing from you and appreciate your feedback.

June 30th . . . the last day of fiscal year 1989. This date stands out on municipal calendars, especially if you're an accountant or auditor maintaining the financial records for your community. It's time to think about closing the books; officials from all municipal departments of your city or town have pooled their data and are working with the financial officer to get a clear picture of your community's financial position.

Barbara Dakin is the Bureau of Accounts field representative for communities on the south shore. June is traditionally a very busy month as local officials prepare to wrap up their accounts, and Barbara has helped many communities through this procedure during her career with the Division. She thus developed a checklist for municipal finance officers to use when closing their books. The checklist was introduced during a training session at the Massachusetts Accountants and Auditors Association's June Conference. Barbara's intention in creating the list was to provide city/town accountants with some kind of prescription for making a more thorough examination of the year's fiscal activity. The main points of the checklist have been highlighted in this month's "Taking into Account . . .".

Priority number one in any community is for the accountant/auditor to establish a solid line of communication with the department heads. The accountant should notify the department heads of the deadline for submitting bills remaining unpaid and the amounts to be encumbered. This is the point where the accountant reconciles overlay with the assessors, settles accounts with the treasurer, confirms outstanding receivables with the collector, and confirms the status of special articles with the selectmen.

Many other steps are taken to close a community's books for June 30th, the product of which is a general ledger that reflects accurate financial figures. Once the balance sheet is complete, the Bureau of Accounts examines it to certify the city or town's free cash (unrestricted fund balance). Closing the books also sets the Schedule A process in motion. This itemized report of local receipts is submitted to the Department of Revenue by each city and town in Massachusetts by October 31.

Once local accounting officers have balanced the books, they can prepare for municipal audits. An updated general ledger also allows for the preparation of internal reports for the community, such as the annual report which is often distributed at town meeting.

Throughout this process, communication and cooperation among *all* department heads is a key element. The ability of local accountants and auditors to close the books and prepare an accurate general ledger depends on it. A team effort involving all officials will directly benefit the citizens of your city or town.

For a copy of the new checklist, please contact your regional staff professional from the Bureau of Accounts at (617) 727-2300 Boston; (508) 792-3571 Worcester; (413) 737-1040 Springfield.

THE LATEST IN FINANCIAL MANAGEMENT AND TECHNICAL ASSISTANCE

STOW FINANCIAL MANAGEMENT REVIEW

A management consulting team from the Division's Bureau of Accounts, Bureau of Local Assessment, and Municipal Data Management and Technical Assistance Bureau met with Stow officials to review the town's financial management organization. The review was divided into two parts: one focused on issues relating to the quality of financial information and the need to improve communications and coordination

among financial offices and boards, while the other focused on an examination of the operations of individual financial offices — Accountant, Assessors and Treasurer/Collector. The result was recommendations on: the reassignment of certain financial tasks to facilitate the annual budget process; improving the capital planning process; automation of certain accounting functions; and improving cash management.

MUNICIPAL FISCAL CALENDAR

AUGUST 1: Taxpayer — *Annual boat excise return due*

AUGUST 1: Accountant — *Notification of total receipts of preceding year.* The total actual local receipts (e.g., motor vehicle excise, fines, fees, water/sewer charges) of the previous fiscal year must be included on Schedule A of the Tax Rate Recapitulation Sheet (Recap) which is submitted by the Assessors to the DOR. On the Recap, the Accountant certifies the previous fiscal year's revenues and the Assessors use this information to project the next fiscal year's revenues.

Prior-year actual revenues serve as the basis for the next year's revenue estimates. Any estimate of local receipts on the Recap that is higher than the previous year's actual receipts must be accompanied by documentation justifying the increase in order to be approved by the Commissioner of Revenue.

AUGUST 15: Assessors — *Deadline to vote to seek approval for authorization to issue preliminary tax bills:* To issue preliminary real and personal property tax bills, the Assessors must vote to seek the approval of DOR by this date. After receiving approval, they must submit a Pro-Forma Tax Rate Recapitulation Sheet to DOR for review and approval, and then issue the tax bills by October 1.

AUGUST 15: Treasurer — *Fourth quarter reconciliation of cash for the previous fiscal year (due 45 days after the end of the quarter):* The last "reconciliation of cash" report of the prior fiscal year provides a general summary of the Treasurer's investment activities for the year.

AUGUST 19: State Treasurer — *Certification of total FY90 state assessments.* One half of the total state assessments will be deducted from each semi-annual distribution on December 29 and June 29. State assessments are made for such purposes as regional transit authorities, health insurance premiums for retired municipal employees, and participation in various service districts.

AUGUST 31: Taxpayer — *Last filing day for classified forest land.*

AUGUST 31: Assessors — *Complete Tax Rate Recapitulation Sheet (to set tax rate):* Until the Tax Rate Recapitulation Sheet is completed, the town may not set a tax rate nor send out its property tax bills (unless it requests from the DOR the authority to send out an estimated bill). The town should begin gathering the information during August in order to provide enough time for the tax rate to be set and first commitments mailed by October 1.

The Tax Rate Recapitulation Sheet provides local officials with a ready-made financial management tool because much of the town's critical financial management information is summarized on this form.

DLS COURSE CALENDAR

AUGUST 2: "What's New in Municipal Law" — Sheraton Sturbridge Resort and Conference Center, Sturbridge, MA 9:00 am – 4:00 pm.

AUGUST 4: "What's New in Municipal Law" — Sheraton Plymouth, Plymouth, MA 9:00 am – 4:00 pm.

CHARITY DOESN'T BEGIN WITH MUNICIPAL FUNDS

Our legal staff has received numerous inquiries as to the legality of appropriations for the benefit of private charities. A town meeting warrant, for example, might include articles asking for the appropriation of money to the Heart Fund or the American Cancer Society.

As a general rule, payment of municipal funds to a charitable corporation, however worthy, violates Article 103 of the Articles of Amendment to the Massachusetts Constitution. That Article provides in pertinent part:

No grant, appropriation or use of public money or property or loan of credit shall be made or authorized by the Commonwealth or any political subdivision thereof for the purpose of founding, maintaining or aiding any infirmity, hospital, institution, primary or secondary school, or charitable or religious undertaking which is not publicly owned and under the exclusive control, order and supervision of public officers or public agents. (Emphasis added.)

Thus, the so-called Anti-Aid Amendment quoted above prohibits the expenditure of public funds to aid a charitable undertaking unless the organization is a public entity under the exclusive control and supervision of public officials. Even though cities and towns are precluded from making grants to charitable corporations, a community could enter into a written contract with a charitable entity for *specific, identifiable* services; under such circumstances the charity would be reimbursed for those services in accordance with some fixed schedule provided in the contract. Payments could only be made after services had been rendered pursuant to a duly authorized warrant. (G.L. Ch. 41 s.52 and 56.)

Please contact Jim Crowley at the Property Tax Bureau, (617) 727-2300 if you have any questions.

FIFTY YEARS AGO . . . 1938 - 1988

One day a few months ago, a dedicated Bureau of Accounts employee found a report buried among the stacks of Schedule A's and Tax Recapitulation Sheets entitled, the Thirty-Third Annual Report on the Statistics of Municipal Finances for the Year Ending December 31, 1938 by the Commissioner of Corporations and Taxation.

We thought it might be fun to peek into this musty book and take a look back at the cities and towns of Massachusetts in 1938.

- In 1938, the city of Boston was the most populous community in the state, with 817,713 inhabitants.
- Today, Boston has a population of 573,600 inhabitants . . . a drop of 30% over the past fifty years. However, Boston remains the most populous community in the state.
- In 1938, the town of New Ashford ranked as the state's smallest community, with a population of 94.
- Today, New Ashford's population is 140 . . . and the state's smallest community is Gosnold, with a population of 50. In 1938, Gosnold was twice as populous, with a population of 129.

"For the year 1938 statistics are presented in this report for 39 cities, 87 towns over 5000 in population and 225 towns under 5000 in population. The number of small towns has decreased by four, since the towns of Dana, Enfield, Greenwich, and Prescott ceased to exist as towns on April 1, 1938, as their territories were taken over in part by the Metropolitan Water District Commission and annexed in part to adjoining towns."

- Today, there are still 39 cities, but there are now 188 towns with over 5000 in population and 124 towns with under 5000 in population.

- In 1938, the total funded debt of all the state's communities was \$282 million. In FY87, the total long term debt of all the state's communities was \$2.1 billion.
- In 1938, total current charges against revenue for all the state's communities was \$336.8 million. In FY87, total general fund expenditures and other financing uses of all the state's communities was \$7 billion.

CITY & Town, a publication of the Massachusetts Department of Revenue's Division of Local Services, is published 11 times per year. The Division is responsible for oversight and assistance to cities and towns in achieving equitable property taxation and efficient fiscal management. (617) 727-2300
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